HER MAJESTY’S GOVERNMENT

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(FORMED BY THE RT HON. THERESA MAY, MP, JULY 2016)

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§ Members of the Government listed under more than one Department

Second Church Estates Commissioner, representing Church Commissioners—The Rt Hon. Caroline Spelman, MP
Mr Speaker: On the front page of today’s Order Paper it is noted that on 4 September 1916, Lieutenant Colonel Duncan Frederick Campbell DSO, Duke of Wellington’s Regiment (West Riding), Member for North Ayrshire, wounded at the first battle of Ypres, November 1914, and again on the western front in 1916, died from his wounds in Southwold, Suffolk. We remember him today.

Hon. Members: Hear, hear.

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Syrian Families: Resettlement Programme

1. Michael Tomlinson (Mid Dorset and North Poole) (Con): What progress the Government have made in placing further vulnerable Syrian families in local authority areas. [906079]

The Secretary of State for the Home Department (Amber Rudd): Under the scheme, local authorities sign up to accept refugees on a voluntary basis. Between the start of October 2015 and the end of June 2016, 2,646 people were resettled under the scheme across 118 different local authorities. The resettlement programme has sufficient pledges of places from local authorities across the UK to resettle 20,000 vulnerable Syrians and will continue to work closely with them to turn those pledges into places.

Michael Tomlinson: I welcome this Government’s record in supporting the people of Syria. Many councils across this country are playing their part by taking in refugees. I am encouraging the local authorities in my constituency to do that, but they need support. Will the Home Secretary update the House on what support and encouragement she is giving to local authorities to do just that?

Amber Rudd: I ask my hon. Friend to pass on my congratulations to his authority on its kind support. It is essential that the scheme is implemented on a voluntary basis. He is right: we provide support over a five-year period, and it is tapered, but we recognise that it is important to provide essential financial support to the local authorities which are supporting these vulnerable Syrians.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I welcome the Home Secretary to her first Home Office questions and wish her well in the job.

I welcome the work that local authorities are doing. The right hon. Lady will know that two weeks ago several of us met a Syrian teenager in Calais whose family is here in Britain and who was given take charge leave by the British Government two months ago, but who is still in Calais alone in awful and dangerous conditions. He has now been given a transfer date for later this week, but only because three MPs and two national newspapers intervened in his case. There are hundreds more children and teenagers in Calais in awful conditions. Will she urgently intervene, speed up the bureaucracy and sort out those cases?

Amber Rudd: I recognise the excellent work that the right hon. Lady does in drawing attention to the needs of the people in the Calais camp. She may already be aware of this, but I point out to the general
Amber Rudd: I join my hon. Friend in making that point—how important it is for families to be welcomed by the community. These families are not foisted on the community; communities are saying that they want to welcome them. I commend what is being done in Richmond, and I know that many other communities and individuals are volunteering to help. Some of them are going on the website Help Refugees in the UK in order to find out how they can help.

Amber Rudd: I join the hon. and learned Lady in congratulating the Home Secretary to her first Home Office questions. I also welcome her confirmation yesterday that there are going to be enough local authority places for the promised quota of 20,000 vulnerable Syrians to be resettled by 2020. I am sure she will wish to congratulate Scotland on welcoming more than 1,000 of those refugees under the scheme to date, which is more than a third of the total number who have been accepted in the whole of the UK. Will she now commit to extending the Government’s resettlement commitment past 2020 and opening it up to other refugees in need of protection?

Joanna Cherry (Edinburgh South West) (SNP): I welcome the Home Secretary to her first Home Office questions. I also welcome her confirmation yesterday that there are going to be enough local authority places for the promised quota of 20,000 vulnerable Syrian refugees to be resettled by 2020. I am sure she will wish to congratulate Scotland on welcoming more than 1,000 of those refugees under the scheme to date, which is more than a third of the total number who have been accepted in the whole of the UK. Will she now commit to extending the Government’s resettlement commitment past 2020 and opening it up to other refugees in need of protection?

Amber Rudd: I join my good friend the hon. Member for Broxtowe (Anna Soubry) in congratulating Broxtowe Council on the work that it has done and on its early adoption. Who can forget the early pictures of the refugees arriving on the Isle of Bute and what a heart-warming sight that was? There is still work to do to welcome the 20,000. I was pleased to announce over the weekend additional funding for language courses for those people. For now we will not go further, but we will of course continually keep the situation under review.

Anna Soubry (Broxtowe) (Con): I, too, welcome my right hon. Friend to her more than deserved place. I strongly suspect that you, Mr Speaker, and indeed the whole House, will welcome the four Syrian refugee families who are now housed in Beeston in my constituency, and congratulate Broxtowe Borough Council and Councillors Ian Goold and Janet Patrick on all their hard work. What assurances can the Home Secretary give to councils such as Broxtowe that the current financial support will extend for as long as it takes to keep people safe in our country?

Amber Rudd: I join my right hon. Friend. In congratulating Broxtowe Council on the work that it has done to welcome those families, I can reassure her and her council that the funds are in place for the five years that are tapered. I hope that she will also welcome the announcement I made at the weekend on additional funding for English language lessons, which are so important as part of allowing these families to form part of the community and fully engage in it.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I commend the Home Secretary for the early initiative she has taken on this issue. She will be aware, however, that many local authorities have not yet been required to take any refugees, while others are taking them and would take more. Does that willingness to take refugees not illustrate that the target of 20,000 by 2020 was unnecessarily modest and could now be revisited?

Amber Rudd: I am not yet ready to say that 20,000 is not enough. We have worked incredibly hard to make sure that the 20,000 are welcomed and are going to be properly looked after. The important thing is to concentrate on making sure that every one of those 20,000 gets the proper support from the communities in which they are housed, and gets the important language lessons. I ask for the right hon. Gentleman’s patience in making sure that we support the 20,000 over the next few years.

Mr James Gray (North Wiltshire) (Con): It is not just a question of numbers; we have to make sure that we get the right people. I very much welcome the fact that we are bringing them in from the middle east rather than from Calais. I congratulate Wiltshire Council, which has taken on, I think, 20 Syrian families so far. Does my right hon. Friend agree that it is not just a question of the people but of finding education, healthcare, social care and so much other infrastructure in the local area, and hopefully jobs for them as well, and not just bringing them in and leaving them to it?

Amber Rudd: My hon. Friend is absolutely right. That is why we are taking these families through the United Nations High Commissioner for Refugees, which vets the potential arrivals very carefully and ensures that we are getting the people who are indeed most in need, to which I am his right hon. Friend. Rightly draws attention. Local authorities decide whether they have the capacity in terms of health places and school places. We are very fortunate in this country that sufficient authorities have volunteered to help the 20,000. That is testament to the strength and generosity of the British people.

Family Reunification: Europe

2. Wayne David (Caerphilly) (Lab): What steps the Government have taken to increase the speed of family reunification for unaccompanied refugee children in Europe.


The Secretary of State for the Home Department (Amber Rudd): We continue to work with the French, Greek and Italian authorities and others to improve family reunification processes for unaccompanied children. We have seconded a UK official to Greece, we have a long-standing secondee working in Italy, and we will shortly be seconding another official to the French Interior Ministry. Transfer requests under the Dublin obligation are now generally processed within 10 days and children transferred within weeks. More than 120 children have been accepted for transfer this year from Europe.
Wayne David: As we speak today, there are hundreds of children in Calais who have a legal right to be reunited with their families in this country. Those children are putting their lives at risk by jumping on trains and lorries. What, specifically, are the Government doing to help those children in Calais?

Amber Rudd: The hon. Gentleman will be aware that under the Dublin obligation we have an obligation, which we are acting on, to work with the authorities in France to remove the children who have a family representative in the UK. We are working on that. Since the passage of the Immigration Act 2016 in May, we have agreed to take 30, of whom we have taken approximately half, and we have taken 120 this year. He should not underestimate the difficulty in making sure that we always do what is lawful under French law and EU law at the same time.

Stephen Gethins: The Home Secretary will be aware of significant concern about this issue in humanitarian organisations. With the onset of winter just a couple of months away, and given the time that it is taking, will she commit to additional resources and to coming back to the House within the next month to tell us how many children she will take?

Amber Rudd: I am always keen to update the House on the latest results from what my Department is doing. We are aware of the humanitarian need and that is why the Government are so committed to ensuring that we work in the best interests of the children. We will always work in the best interest of those children and we will always ensure that that is within French and EU law.

Heidi Allen (South Cambridgeshire) (Con): I welcome any sense of urgency from the Home Secretary. My hon. Friend the Member for Enfield, Southgate (Mr Burrowes), the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and I visited Calais just two weeks ago and were disappointed yet again to find young, vulnerable children with no one to support or look after them. What can the Secretary of State tell me about whether we can put safeguarding in place in Calais when we have identified those children and had take charge requests to look after them there? May we also have a Home Office official based there, and not in Paris?

Amber Rudd: I met my French counterpart last week as well as our representatives, who attend the camp. I am aware that my hon. Friend is aware, like many other Members of the House who have visited the camp, that there is a fine line between wanting to ensure that we help and safeguard those children and ensuring that we do not encourage the traffickers to bring more children to the camp, thereby making more children more vulnerable. We are doing our best to tread that fine line and ensure that we always support those vulnerable children, but it is not as simple as my hon. Friend tries to pretend.

Mr Speaker: Order. I understand the natural inclination to look at one’s interlocutor, but if the Home Secretary and other Ministers could address the House, that would be greatly appreciated.

Charlie Elphicke (Dover) (Con): The situation in the “jungle”, which I visited recently, is truly horrific. I invite the Home Secretary to join me on a visit to Dover and Calais to see the situation in the “jungle” and the evil activities of the people traffickers. Will she work with me to do our best between Britain and France to end the evil trade of modern slavery that these people traffickers are pursuing?

Amber Rudd: I am grateful to my hon. Friend for his work to keep me informed and to support what the Government do, to ensure not only smooth traffic between Dover and Calais but that we are always well informed of what is happening there. I will work with him to ensure that we do our best. The real criminals in this are the traffickers, who do such terrible, violent work and take advantage of families.

Mr David Burrowes (Enfield, Southgate) (Con): May I take the Home Secretary back to those young people for whom take charge requests have been accepted? They have family here waiting for them to arrive. When we talk about fine lines, surely in the case of these young people, when we have accepted the responsibility and when they are at risk of attack, as we saw, or of exploitation and trafficking, the line has been crossed and we have a responsibility to ensure that they get back to their family and that they avoid situations that are not safe. Let us make them safe rather than putting them at risk of exploitation and trafficking.

Amber Rudd: My hon. Friend is right to refer to the fine line and to the fact that the camp is a place of terror and danger. We will follow up on our obligations, and as I said in answer to an earlier question, we are now managing to move more quickly. I ask him not to underestimate the difficulty sometimes of dealing with French law and EU law. We cannot simply move in and take action; we must act within the law, which is always in the best interests of the child.

Stella Creasy (Walthamstow) (Lab/Co-op): I welcome the Home Secretary to her new role. I was in Calais at the weekend for the second time this summer. Both times I met some of the 800 young unaccompanied children in that camp—children who told me that in the many months they have been there they have not spoken to a single Government official. I met a pregnant woman who said that she had tried to claim asylum in France, but the system is so broken that she was told it would be months before they would even begin to process her application. These people are living in hell because of a lack of bureaucracy. My right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper)
is absolutely right. They need our safeguarding, because they are sleeping in tents with strange men. Will the Home Secretary meet me and other MPs affected by this issue and concerned about it to discuss how we can change that?

Amber Rudd: I would point out to the hon. Lady that the French have already dispersed 5,000 people from the camp. The Interior Minister has already said that he has plans to make sure, by the end of the year, that the camp is phased out so that everybody can be rehoused. It is important for the children to know, as the adults know, that they are not forced to come to the UK to find a bed; they can claim asylum in France, and the French Government are willing to do that. The hon. Lady should have a care not to encourage unwittingly the traffickers to bring more children to the camps.

**Police Community Support Officers**

3. Derek Thomas (St Ives) (Con): What plans her Department has to maintain the role of police community support officers in neighbourhood policing. [906081]

9. Ian C. Lucas (Wrexham) (Lab): If she will review the adequacy of the powers of police community support officers. [906087]

The Minister for Policing and the Fire Service (Brandon Lewis): PCSOs have played a key role in policing our communities in recent years and they should play a greater role in the future, which is why the Policing and Crime Bill sets out a series of reforms that will allow chief constables to designate them with a wider range of powers. Obviously, decisions on the size and composition of a police force’s workforce are for individual chief officers and police and crime commissioners.

Derek Thomas: St Ives town will be well known to the Minister from his former role as Housing Minister. I am sure that he is glad to be rid of that role, but he has a new problem in St Ives. Sergeant Friday is a popular and influential neighbourhood police officer and a valued member of the local policing team in St Ives. Some 5,000 people support him in his current role, and yet he will soon be moved by Devon and Cornwall police to, in effect, a back-office role. What can the Minister do to support local community policing in St Ives and safeguard front-line policing roles?

Brandon Lewis: I congratulate my hon. Friend on highlighting an issue that is clearly important to his constituents. This must be an impressive PCSO and sergeant for so many of them to get behind him and sign his form. Obviously, those kinds of operational decisions are for the force’s chief constable, but I will visit my hon. Friend’s area soon and hope I get a chance to meet a sergeant who can endeavour to get that kind of support from his local community.

Ian C. Lucas: In Wrexham town centre we have fewer police and more antisocial behaviour under this Government. PCSOs, introduced by a Labour Government, are very welcome and perform a valuable role, but there is a disturbing lack of understanding and clarity about their powers. Will the review that the Government should undertake make clear to the general public and to offenders how important PCSOs are?

Brandon Lewis: The hon. Gentleman makes an important point about PCSOs being important. They play a key role, which is why I am pleased that their number has increased by about 40% in his part of the world since 2010. It is also important that the Policing and Crime Bill will give chief constables the power to look at what is right for their area and to give powers to PCSOs and other volunteers to do the work that is appropriate for their local area.

Mr Philip Hollobone (Kettering) (Con): I was with one of the few remaining PCSOs in Kettering on Friday for a walkabout in the town, and it would appear that, were it not for the funding provided by Kettering Borough Council, of which I am proud to be a member, there would be no PCSOs at all in the borough of Kettering. Does the Policing Minister agree that PCSOs are vital for developing the intelligence picture locally, and that without them it would be difficult to see how front-line officers could do that?

Brandon Lewis: My hon. Friend makes a very good point. I was a council leader in local government when PCSOs were first introduced, and my council funded them even back then. They play an important part in the remit and powers of chief constables and, indeed, PCCs to make sure that they gather the intelligence they need to prevent crime, which is obviously our first priority.

Fiona Mactaggart (Slough) (Lab): The Minister must be aware of the survey conducted by Unison which shows that 78% of PCSOs say that they have become less visible, that their units have got smaller and that they have stopped doing patrolling and preventive work and are just doing call-backs on crime for other police officers. Is it not true that PCSOs are no longer doing what we created them for, and that, as a result, our communities feel abandoned by the police?

Brandon Lewis: I disagree with the right hon. Lady. She needs to think about the fact that crime is changing, so the way in which police forces fight crime needs to reflect the modern world that we live in and the crime that is happening in local areas. That is why it is absolutely right that the Government have moved crime fighting to be locally driven, with PCCs and chief constables having the powers that they need to fight crime locally in the way they see best.

**Terrorist Attacks**

4. Byron Davies (Gower) (Con): What steps she is taking to ensure that the police and security services have the necessary powers to apprehend people planning terrorist attacks in the UK. [906082]

The Secretary of State for the Home Department (Amber Rudd): We continue to strengthen our counter-terrorism powers. The Counter-Terrorism and Security Act 2015 provided the police with new powers and created a general duty on public bodies to prevent people from being drawn into terrorism. To apprehend terrorist suspects, the police and security agencies need to collect intelligence to support arrests and develop evidence to secure prosecutions.
Byron Davies: A major terror threat to the United Kingdom comes from people who are trafficked into this country. It is vital that we maintain the strongest possible intelligence-sharing relationships and agreements with other nations. What steps will the Home Secretary be taking to ensure that these agreements are prioritised and protected following the vote to leave the European Union?

Amber Rudd: I thank my hon. Friend for that important question, and I am aware of his expertise as a former police officer. We are leaving the European Union but I can reassure him that our co-operation on security with our European and global allies will be undiminished. We are about to begin negotiations and it would be wrong to set out unilateral positions in advance, but I share his view on this important matter.

Keith Vaz (Leicester East) (Lab): May I warmly welcome the Home Secretary to her post? I hope that she has a long and successful term as Home Secretary. As she knows, earlier this year Siddhartha Dhar left the country, having not handed over his passport to local police officers, and went to fight for Daesh. The Home Secretary’s predecessor, who is now the Prime Minister, changed the Policing and Crime Bill to make the situation tougher for those who seek to go abroad. Will the Home Secretary follow the advice of Mark Rowley, the head of counter-terrorism, and expect suspects to hand over their passports as a precondition for bail?

Amber Rudd: I thank the right hon. Gentleman for raising this very important matter. This was a very distressing case, where the suspect was able to go away while on bail to do such damage and join Daesh in Syria. The right hon. Gentleman is absolutely right. This is something that the former Home Secretary addressed, and we are looking at the best way to implement it. We may well follow the particular route that he has outlined, but rest assured that we take it very seriously.

Mrs Theresa Villiers (Chipping Barnet) (Con): I congratulate the Home Secretary on her new role. Does she agree that the Investigatory Powers Bill is essential if the intelligence services are to retain their existing capability to collect communications data, which is crucial in detecting terrorism and serious crime?

Amber Rudd: From her former role as Secretary of State for Northern Ireland my right hon. Friend will know how important it is to be able to collect that information. She is absolutely right that the Investigatory Powers Bill is critical to making sure that our police, security services and intelligence services have the tools that they need to get the convictions that we hope they will achieve.

Gavin Robinson (Belfast East) (DUP): On behalf of my party, I welcome the Home Secretary and her entire team to their roles. In Northern Ireland, we know the true benefits of the police and security services working together. The chief suspect in the murder this year of my constituent Adrian Ismay has been bailed and, despite having breached bail twice, he remains at large. When the police and security services succeed, what conversations will the Home Secretary have with the Ministry of Justice to make sure that the judiciary plays its part as well?

Amber Rudd: That is a matter for the judiciary in Northern Ireland, but rest assured that it is a matter that we take very seriously.

Dr Julian Lewis (New Forest East) (Con): In welcoming the Home Secretary to her new role, may I ask her whether she has had a chance to see to what extent profiling of those who commit terrorist atrocities has been examined by her Department, by the police and by the security services? People such as the journalist Peter Hitchens have noted a correlation between drug abuse and the commission of atrocities that is rather greater than any link with a Muslim faith background, despite what one would normally expect. Therefore, if profiling is to be carried out successfully, will the appropriate effort be invested?

Amber Rudd: We have a behavioural unit in the Home Office that looks at types of behaviour that may lead to certain actions. Now that my right hon. Friend has raised that question with me, rest assured that I will look at it more seriously.

Jess Phillips (Birmingham, Yardley) (Lab): In Birmingham, we are only too well aware that terrorism has not arrived on our shores only recently. I want to welcome the Home Secretary to her place. Does she agree with me and most of Birmingham that the relatives of the victims of the 1974 Birmingham pub bombings should be treated equally and in parity with the relatives of the victims of the Hillsborough disaster, and should be provided with access to legal representation so that they can participate effectively in the inquests into the murder of their loved ones?

Amber Rudd: I know about this case—the hon. Lady has of course raised it with me previously—and I know about the campaigning she has done on behalf of her constituents and of the city in general. I do not know whether she is aware of this, but I am seeing the representatives of the Birmingham families this evening, and I will follow up with more information after that.

5. Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): What steps she is taking to reduce delays in Disclosure and Barring Service checks. [906083]

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): Protecting the public is a priority for this Government, and it is important that checks undertaken are thorough. I visited the Metropolitan Police Service last week to see the work it is undertaking to tackle the delays, and I will also visit the DBS in the near future. I will continue to maintain a close interest in disclosure turnaround times and the work of the DBS.

Meg Hillier: I welcome the hon. Lady to her position, in which she is taking on the seemingly intractable problem of making sure that the Met police deal with DBS checks in good time. I have had 20 cases in the past
12 months, including of teachers and teaching assistants unable to get their checks in time to start work. The delays are causing havoc in people’s lives. I wish all power to her elbow in resolving this, but it has been going on for nearly a decade. What practical steps is she going to take?

Sarah Newton: I absolutely share the hon. Lady’s frustration at the delays in the Met police, but I assure her, based on my visit last week, that the DBS has increased the resources it has made available to the police. In the past six months alone, over 100 new members of staff have been recruited. It has made improvements to the processes it is undertaking, and I am looking at weekly performance statistics. She can be assured that I am doing everything in my power to speed up the processing of this very important service.

Several hon. Members rose—

Mr Speaker: Order. We must now try to speed up, as we have a lot to get through and I would like to accommodate colleagues.

Cybercrime

7. Jack Dromey (Birmingham, Erdington) (Lab): What recent assessment she has made of trends in the level of cybercrime.

The Minister for Security (Mr Ben Wallace): As crime falls, we know that it is also changing. The internet and new technology offer criminals new opportunities to commit crimes, such as fraud and cybercrime. We welcome the increased reporting to Action Fraud: such reporting has trebled since it was set up. With new experimental data from the Office for National Statistics, we will be able to better map the trends in cybercrime and, I hope, take steps to combat it.

Jack Dromey: On the day Parliament went into recess, the Office for National Statistics confirmed that there had been 5.8 million incidents of cybercrime in the past 12 months, affecting one in 10 of the population. This means that crime has near doubled. Does the Home Secretary agree that the legacy of her predecessor—now the Prime Minister—is one of 20,000 fewer police and soaring crime?

Mr Wallace: I do not think that that is much of a point. The reality is that, under the hon. Gentleman’s Government, there was no proper reporting mechanism for fraud. We set up Action Fraud, which has received the massive number of 300,000 referrals. Rather than playing politics with crime, the best advice we can all give our constituents is that GCHQ advises that if people change their passwords regularly and have up-to-date anti-virus, they will cut their vulnerability to cybercrime by 80%.

Mr Edward Vaizey (Wantage) (Con): I hate to play politics with crime, but this Government have an excellent record on tackling both crime and cybercrime by setting up the National Cyber Crime Unit. I wonder whether the new Minister, whom I warmly welcome to his position, will use his imagination and energy to consider a bespoke career path, at graduate level, for people entering the police force. People tackling cybercrime perhaps need very different skills from those the police have relied on hitherto, before the growth of digital crime.

Mr Wallace: Yes, we are working on that. We are working on direct recruitment to ensure that both the police and the National Crime Agency have the skills they need. We have already invested in upskilling members of the NCA, which hosts the National Cyber Crime Unit. It is also very important to make people understand that everybody can play a role in defending against cybercrime, and that if they follow the advice of GCHQ, they will go far.

Mr Speaker: Well done.

14. [906092] Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Not least in the context of the expansion of the Prevent duty, is the Minister currently satisfied with the level of support being given by social media and internet companies to police and other public authorities for tackling online radicalisation, as well as for tackling those who are preparing terrorist acts themselves?

Mr Wallace: Every day the police get good co-operation from many multimedia companies and internet service providers. We would, of course, like to see more, and will keep pressing companies for more because it is very important that we all protect vulnerable people from the effects the internet can have in turning them into radicals and attracting them to terrorism.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Given the increase in cybercrime, will the new Minister commit to investigating the storage of seized hardware and, specifically, ethical concerns that destruction orders on hardware containing child pornography can be successfully challenged by convicted offenders in court?

Mr Wallace: That is a very good point. We must make sure that the data are always there to help convict people of their crimes, and that those data cannot be challenged or put aside. I hope the hon. Lady will therefore support the Investigatory Powers Bill when it returns to this House, because the retention of data is one of the best ways to counter crime.

Sarah Champion (Rotherham) (Lab): For clarity, no one, particularly a child, chooses to be or facilitates being trafficked.

The Minister will know that online child abuse has reached unprecedented levels and is increasing. The Internet Watch Foundation states that there has been a 417% increase in child sexual abuse images since 2013, with the Child Exploitation and Online Protection Centre stating that 50,000 people in the UK downloaded or shared images in 2012. However, children and parents are woefully underprepared when it comes to recognising or preventing abuse and exploitation online, despite the fact that 65% of 12 to 15-year-olds own a smartphone. What does the Minister plan to do to address and prevent online child abuse, other than changing passwords?

Mr Wallace: The obvious answer is that we need to continue to educate both parents and children, either in the school setting or at home, to make sure that they
operate safely when they surf the net. The Department for Culture, Media and Sport, the Home Office and the National Crime Agency have engaged in making sure that there are guides online for everyone of every age to follow. That is the first step. Certainly, the National Cyber Crime Unit, which I went to visit at the NCA, is responsible for making sure that we catch people whether at home or abroad, through its network of overseas postings, to make sure that we bring people to justice whatever side of the channel they are on.

**Immigration**

8. **Mr David Nuttall** (Bury North) (Con): What assessment she has made of recent trends in the level of immigration.  
   [906086]

17. **Mr Peter Bone** (Wellingborough) (Con): What plans her Department has to reduce net migration.  
   [906095]

**The Minister for Immigration (Mr Robert Goodwill):**  

The latest figures show that the reforms we have made to cut abuse across non-EU visa routes and toughen welfare provisions are working. Reducing the number of migrants coming to the UK will be a priority for the negotiations to leave the European Union.

**Mr Nuttall:** I welcome my hon. Friend to his new role, which must be one of the most challenging and difficult in Government. The most recent figures demonstrate, if proof were needed, that despite the steps already taken by the Government we urgently need new, clear, workable and effective policies. Will he set out when he intends to bring such policies before the House?

**Mr Goodwill:** We are committed to bringing down net migration to sustainable levels as soon as possible. It will take time to do so, because until we leave the European Union we will still be affected by the free movement rules, but we are doing everything we can now to ensure that the numbers come down. At every step of the negotiations we will work to ensure the best possible outcome for the British people and it would be wrong to set out unilateral positions in advance of that.

**Mr Bone:** I welcome the new Minister, who probably has the most difficult job in Government. He will be a national hero when he reduces immigration to the tens of thousands. Will he tell the House how he is going to work with the Department for Exiting the European Union?

**Mr Goodwill:** I thank my hon. Friend for his question; we may have been on different sides of the referendum campaign, but we are quite clearly all on the same side now in delivering the result for the British people. The Home Office will be the lead Department in negotiations on this, but we look forward to working with the Brexit Department, and I suspect that the Prime Minister may be taking an interest, given her experience in the Home Office.

**Ms Angela Eagle** (Wallasey) (Lab): In China, the Prime Minister has unilaterally announced that Britain will not be adopting the points-based system on which the leave campaign put so much emphasis during the referendum, but that we will be doing something more effective. Can the Minister tell us what that is?

**Mr Goodwill:** When the Labour party introduced a points-based system, the numbers went straight up. Australia has a points-based system and higher immigration per capita than Britain. A points-based system would give foreign nationals a right to come to Britain if they meet certain criteria. An immigration system that works for Britain would ensure that the right to decide who comes to the country resides with this Government.

**Marion Fellows** (Motherwell and Wishaw) (SNP): The Logan practice in my constituency—it is my own GP practice—has already sponsored medical students from the American University of Beirut for a four-week learning experience. This year’s student, Ghaith Rukba, a Syrian national, has been refused entry, although he would be coming on exactly the same basis as previous applicants. Will the Minister meet me urgently to review the case, as Mr Rukba is due to arrive on 24 September?

**Mr Goodwill:** It is certainly the aim of the Government to ensure that those who wish to come to our blue-chip universities—the Russell Group universities—to study can do so, but I understand that there are specific cases for courses. I would be happy to meet the hon. Lady to discuss that case and facilitate it.

**Mr Julian Brazier** (Canterbury) (Con): I, too, welcome my hon. Friend to his post. It is essential that our excellent universities continue to attract students from all over the world, but does he agree that it is not sustainable to go on with a situation in which almost two thirds of all non-EU students who come into this country stay? Our existing rules need to be enforced.

**Mr Goodwill:** It is very important that when people come here to study from abroad and gain a qualification, they take it back and improve the development of the countries from which they came. It is not the intention that getting a place at a university in the UK is a licence to stay in the UK for the rest of someone’s life.

**Andy Burnham** (Leigh) (Lab): A decade ago, Labour introduced a points-based system for non-EU migration. In the referendum campaign, five of the Home Secretary’s Cabinet colleagues and many Conservative MPs pledged to extend it. As my hon. Friend the Member for Wallasey (Ms Eagle) has said, without consultation or debate, the Prime Minister today ruled that out but failed to tell us what she would do instead. That comes as the Italian Government make this warning: the more the UK Government limit EU citizens in the UK, the more the Italian Government will limit the presence of UK goods in Europe. The stakes are high, but just when the country needs leadership, we have confusion. The Home Secretary presented proposals to the Cabinet last week. Will the Minister tell us what they were so that we can begin finally to have a proper debate about what Brexit means for Britain?

**Mr Goodwill:** The right hon. Gentleman may have heard somebody saying this morning that a points-based system is not a silver bullet. When we took power in 2010, Labour’s immigration system was chaotic and
broken. People from outside the EU with no skills at all were allowed to come. Indeed, search parties were sent out to encourage mass immigration.

Andy Burnham: That was a complete non-answer. People at home might wonder why we are getting non-answers on Brexit: it is because the Government told the civil service not to plan for it, hence the confusion we are in. There is one issue that the Minister could clear up today—the status of EU nationals who are already here. The failure to address that is creating uncertainty for families who have chosen to make their lives here, and hostility towards some EU nationals. The whole country was appalled by the attack in Harlow in late August that led to the death of a Polish national, Arkadiusz Jozwik. It is in the Minister's and the Home Secretary's gift to change that climate. Will he and she respect the unanimous vote of this House back in July and confirm the status of all EU nationals who are already here?

Mr Goodwill: We have always made it clear that the status of EU nationals is not under threat at all. Indeed, we have always made the point that, during the negotiations, so long as those same protections are available to UK citizens living abroad, they will be there for those who come here from the rest of Europe. I pay tribute to the contribution made to the British economy by those who come to work not just from the European Union, but from further afield. We want to attract the brightest and best, but we must control the numbers that come.

European Arrest Warrant

10. Chris Bryant (Rhondda) (Lab): What discussions she has had with her international counterparts on the UK's continued participation in the European arrest warrant. [906088]

The Secretary of State for the Home Department (Amber Rudd): Co-operation between the UK and European Union member states has continued following the referendum result, including on European arrest warrants. Officials are exploring options for future co-operation arrangements once the UK has left the European Union. We will do what is necessary to keep people safe, but it would be wrong to set out unilateral positions before that negotiation has taken place.

Chris Bryant: But the Brexit Secretary has always campaigned for us to leave the European arrest warrant and so has the Foreign Secretary. Does the Home Secretary agree with them, or does she agree with her predecessor—now the Prime Minister—who, when we debated this in this House, said that 901 suspected serious criminals, including paedophiles, rapists and murderers, had been extradited either in or out of this country thanks to the European arrest warrant? Would it not be far better for her to say now that she will protect British people by making sure we remain within the European arrest warrant?

Amber Rudd: I can reassure the hon. Gentleman that we on the Government Benches value the European arrest warrant. We know how important it has been in keeping people safe. When people voted to leave the European Union, they did not vote for a less safe country. We will make sure that, whatever the outcome of the negotiations, we protect people in a way that is as effective as with the European arrest warrant.

Andy Burnham (Leigh) (Lab): I, too, welcome the Home Secretary to her first questions, but I do hope we will get better answers than the ones we have just had from the Immigration Minister. I will give it one more go, Mr Speaker, this time on security.

Last week, in relation to discussions with the French Government on Calais, a senior Government source briefed The Times that the UK might withdraw co-operation on counter-terrorism if it does not get its way, referencing the Nice attack. At a time when France is facing an unprecedented terror threat, that is utterly crass. It is also counter-productive, as the terror networks that threaten France could have links here. Will the Home Secretary today distance herself from this insensitive threat, vow that there will be no repeat of it, and commit to maintaining the fullest co-operation with our EU counterparts and neighbours on counter-terrorism, including to maintaining our involvement in the European arrest warrant?

Amber Rudd: There is something completely derisory about the right hon. Gentleman trying to lecture the Government on security measures when we know how divided his shadow Front Bench is, with a leader of his party who refuses to defend this country, and a shadow Chancellor who calls for the disbandment of the police and does not support MI5. Government Members are absolutely clear that we will do what is right to support and protect this country. The right hon. Gentleman is right on one element: in my many conversations with European counterparts I always say to them that we will work with them, irrespective of Brexit, to ensure our joint security.

EU Nationals: Residency

11. Richard Arkless (Dumfries and Galloway) (SNP): What discussions she has had with people from other EU countries living in the UK since the EU referendum on their right to live in the UK after an exit from the EU. [906089]

The Minister for Immigration (Mr Robert Goodwill): The Prime Minister has been clear that she wants to protect the status of EU nationals here. The only circumstances in which that would not be possible are, as I have already said, if British citizens’ rights in other EU member states were not protected in return.

Richard Arkless: In the two months since the EU referendum, the EU citizens in my constituency have become increasingly anxious. They literally lie awake at night wondering whether they will still be able to call my constituency their home. Will the Home Secretary do the decent thing and guarantee that no EU citizens will be used as bargaining chips in the forthcoming negotiations following the triggering of article 50?

Mr Goodwill: I repeat again that there is no change in the status of EU nationals living and working in the UK. The issue is not simply about the immigration status of an individual; EU citizens’ rights are far broader than just the right to reside in the UK. The right
to work, entitlement to benefits and pensions, the rights of access to public services and the ability to be joined by family members from countries outside the EU all need to be discussed.

22. [906100] Dr James Davies (Vale of Clwyd) (Con): The Minister will be aware that the NHS would currently not be able to function without the input of skilled migrants from across the world. Indeed, there are currently 236 known non-Irish EU migrants employed by the health board in north Wales alone. What assurances can he give about the status of existing EU migrants working in the NHS, and, post-Brexit, how does he see future migration policy taking into account the needs of the health service?

Mr Goodwill: I hope I have already made that clear, but I recognise that EU citizens make an invaluable contribution to our economy, our society and our daily lives. They provide vital services, including in the NHS, where almost one in 10 doctors and one in 15 nurses are from an EU country. That is why the Government will seek an early resolution to this issue.

Joanna Cherry (Edinburgh South West) (SNP): Last week, in a statement issued by the Scottish Conservative and Unionist party press office, a Conservative Member of the Scottish Parliament, Alexander Burnett, questioned the right of EU citizens resident in Scotland to participate in Scottish politics. This has caused great concern in Scotland. Will the Minister unreservedly condemn this statement and give EU citizens resident in Scotland, and indeed across the UK, the assurance that they are still welcome to participate in politics and civic society?

Mr Goodwill: So long as we are members of the EU, the status of those citizens does not change.

Several hon. Members rose—

Mr Speaker: Order. We are running late and I fear that colleagues are making up for unspoken words in August with spoken words in September. That said, I am very keen to accommodate two further inquiries. I call Mr Simon Hoare.

Fraud

12. Simon Hoare (North Dorset) (Con): What steps she is taking to protect people from fraud and its effect on families and communities. [906090]

The Minister for Security (Mr Ben Wallace): Fraud is a heinous crime, which can have a devastating effect on individuals, families and the most vulnerable members of society. That is why this Government launched the Joint Fraud Taskforce last February with law enforcement and banks, and have committed to spending £1.9 billion over the next five years on cyber-security, including to tackle cyber-enabled fraud.

Simon Hoare: I thank my hon. Friend for that answer. What specific assessments has he made of fraud in my area?

Mr Wallace: The Joint Fraud Taskforce will obviously cover all of the United Kingdom. Of course, members of the banks and other organisations that are on the taskforce will be involved in ensuring that when people commit fraud, they cannot take the money out of the country, which will provide at least some time to track it down. I congratulate the Dorset police who in 2015 launched a fraud prevention campaign called “Hang up on Fraudsters” after reports that my hon. Friend’s county had lost over £1 million to fraud.

Mr David Hanson (Delyn) (Lab): I am still not convinced by what the Home Secretary said about European co-operation. Will the Minister confirm that we will remain members of Europol, which tackles fraud across Europe as well as in the United Kingdom?

Mr Wallace: The right hon. Gentleman might have to wait a bit for the answer, because my right hon. Friend the Home Secretary and her ministerial colleagues will be meeting Europol. What we want to continue to do, first and foremost, is co-operate with Europol, Interpol and all the other forces of the European Union to make sure that this country is safe and secure.

Mr Speaker: Finally, I call Karl McCartney.

Pre-charge Bail

13. Karl McCartney (Lincoln) (Con): What plans the Government have to make changes to pre-charge bail. [906091]

The Minister for Policing and the Fire Service (Brandon Lewis): The Policing and Crime Bill will introduce statutory safeguards to the pre-charge bail process, including time limits and judicial oversight, which will increase accountability and scrutiny in a way that is manageable for the courts as well.

Karl McCartney: I have met a now 18-year-old constituent of Lincoln—and his family—who has been on a pre-charge bail for over a year since he was 17. As far as anyone is aware, there has been no admission of guilt, and nor are the police or the CPS in a position to charge or take my constituent to trial, which is yet another disturbing aspect of the case. I am fully aware that this is an operational matter for the police, but my constituent’s rights to a family life and education are currently being detrimentally severely impacted by what I feel is the police’s underfunded and understaffed investigation. Will my hon. Friend please agree to meet me to discuss my constituent’s situation and how police forces across the country can best avoid lengthy periods of pre-charge bail, particularly for young suspects?

Brandon Lewis: My hon. Friend makes an important point. It is not right that some people can spend months or even years on pre-charge bail, with few or no safeguards. I would be happy to meet my hon. Friend. Friend please agree to meet me to discuss my constituent’s situation and how police forces across the country can best avoid lengthy periods of pre-charge bail, particularly for young suspects?

Topical Questions

T1. [906134] Bridget Phillipson (Houghton and Sunderland South) (Lab): If she will make a statement on her departmental responsibilities.
The Secretary of State for the Home Department (Amber Rudd): We are meeting this September after terrible events over the summer—in Nice, Charleroi, Normandy and Munich. We must step up international efforts to keep our people safe and tackle violent extremism. I have spoken over the summer to a number of my counterparts—not least the French Interior Minister, Bernard Cazeneuve—and they all agree that the UK must not step back from international co-operation on security and counter-terrorism. We will not shrink that.

Bridget Phillipson: In 2015, Northumbria police were involved in 13 extraditions. If the Home Secretary is unable to commit to retaining the European arrest warrant—I listened to her earlier answers, which did not offer a great deal of comfort—will she set out in much more detail how she will make sure that we continue to have the powers we need to tackle cross-border crime, keep our country safe and bring criminals to justice?

Amber Rudd: I remind the hon. Lady that nothing has changed yet. We will still have the European arrest warrant in place. My right hon. Friend the Prime Minister has said that she will not trigger article 50 until next year, so I urge the hon. Lady to work with her police force and reassure them that nothing has changed for now—so we can carry on with the European arrest warrant.

T2. [906135] Martin Vickers (Cleethorpes) (Con): I am currently assisting a constituent who has been the victim of a fraudulent scam, losing over £30,000 of life savings. The case has been referred to ActionFraud. The Minister spoke earlier about an increase in referrals to ActionFraud, but it is results that matter. The cases I have dealt with show poor results. What action is being taken to ensure that ActionFraud improves its performance?

The Minister for Security (Mr Ben Wallace): First, we are investing in a new software programme for ActionFraud that will not only improve the analytics of crimes that are reported to it, but allow victims of fraud to track their cases in live time online. In response to my hon. Friend’s concern, I have also asked officials to look into how ActionFraud communicates with members of the public. I think it important to remember that these are victims, many of whom have done nothing wrong whatsoever and have been preyed upon by some of the worst people in society.

Carolyn Harris (Swansea East) (Lab): The Home Secretary will be aware of continuing concern about the historical conduct of South Yorkshire police. I understand that she is meeting members of the Orgreave Truth and Justice Campaign next week to discuss their call for a public inquiry. Is she also aware of the tragic case of Terry Coles, a Swansea City supporter, who was trampled to death by a police horse at a football match in 2000? Will she agree to look at the evidence, and accept that, unless we have the truth about all these past injustices, we shall not be able to restore trust in South Yorkshire police?

Amber Rudd: The hon. Lady is right: I am meeting members of Orgreave Truth and Justice, and I look forward to having the opportunity to hear from them.

The Government have not shirked in looking at historical cases, and if the hon. Lady wants to bring any more to my attention, I shall certainly look at those.

T3. [906136] Karen Lumley (Redditch) (Con): Will my right hon. Friend congratulate Redditch Borough Council on welcoming five Syrian refugee families into our town, over a third more than promised by the county of Worcestershire? Will she also update the House on the progress being made by our county to ensure that it follows the great example of Redditch Borough Council?

Amber Rudd: My hon. Friend is absolutely right: local authorities are leading by example and showing how to welcome families into their communities, and I particularly congratulate Redditch on being ahead of the pack. So far 118 councils are participating, and we hope that that number will grow.

T4. [906137] Diana Johnson (Kingston upon Hull North) (Lab): Given the level of public concern about British citizens who travel to fight Daesh and then attempt to return to this country, will the Minister tell me when the number of those who are attempting to return will be published, and what action will be taken to keep us safe in this country?

Mr Wallace: It is incredibly important that when people return—and we hope that they do—they are properly introduced back into society. If they pose a threat, it is important for that threat to be managed, and it is also important that if they can be removed from radicalisation, we take the right steps to do that. I will certainly review the hon. Lady’s request for the publication of the number of passports, for instance, that have been withheld from individuals. First and foremost, however, I assure her that we have measures in place to ensure that these people are not just left alone and we do not lose track of them them, which would pose further risks to the British people.

T5. [906138] Julian Knight (Solihull) (Con): Fraud and scams have a huge impact on individuals, especially the elderly, who are seen as easy prey. Does my hon. Friend welcome the Back-Bench debate on scams that I shall be leading on Thursday, and will he commit himself to considering what more can be done to tackle this rank criminality?

Mr Wallace: I congratulate my hon. Friend. Friend on the leadership that he has shown on not only fraud but consumer rights in ensuring that the vulnerable in society are not taken advantage of. We have set up a Joint Fraud Taskforce, inviting, for instance, Age Concern to help to protect the elderly, so that we can do more to ensure that in future the people who commit those crimes are caught and the elderly are defended from unscrupulous behaviour.

T7. [906140] Peter Grant (Glenrothes) (SNP): One of my constituents, Lorna Ross from Markinch, recently returned from Greece, where she had been working as a volunteer in a refugee centre. She brought back harrowing accounts of the conditions facing, in particular, young unaccompanied refugees. What steps is the Home Secretary taking to ensure that if such refugees have the right to
move to the UK to be with their families, they are allowed to do so without delay, wherever they arrive in Europe?

Amber Rudd: We take our obligations under the Dublin agreement very seriously, and will always look into how we can help unaccompanied refugees. We have seconded officials working with Greek, Italian and French counterparts, and we hope to be able to speed up the process.

T6. [906139] Byron Davies (Gower) (Con): As the Minister will know, last week the Police Federation called for a review of the position regarding police officers and visible tattoos. Can he assure me that the Home Office has no intention of relaxing the current guidelines?

The Minister for Policing and the Fire Service (Brandon Lewis): Obviously, decisions on whether to recruit individuals are for the chief officer of the police force concerned and each case should be treated on its merits, but I can say that we have no plans to change guidance, and the college guidance is very clear: the candidates “should not have tattoos which could cause offence…or undermine the dignity and authority” of the role of the police constable.

T8. [906141] Keir Starmer (Holborn and St Pancras) (Lab): As the Home Secretary knows, leading organisations such as Freedom from Torture are very concerned that the definition of torture used in imminent statutory guidance of adults at risk in immigration detention should be wide enough to cover torture by non-state actors such as Daesh, the Taliban and Boko Haram. Will she agree to meet me to discuss these concerns urgently?

The Minister for Immigration (Mr Robert Goodwill): I am more than happy to meet the hon. and learned Gentleman. I understand exactly the point he makes that Daesh, the Taliban and Boko Haram in Nigeria, where I was last week, can indulge in some of these terrible acts, and we need to make sure we address that particular situation.

T9. [906142] David T. C. Davies (Monmouth) (Con): Is the Minister willing to meet the Metropolitan police to discuss why they are not willing to meet Councillor Peter Golds and the successful petitioners against Lutfur Rahman’s administration in Tower Hamlets, who have presented a dossier which appears to show damning evidence of criminal intent? These people would like to see why this is not being taken forward by the police.

Brandon Lewis: My hon. Friend highlights an important case, but my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) did a lot of work on this and is working with Councillor Peter Golds. I am very happy to meet my hon. Friend if he feels that would be useful, but this is the subject of an ongoing investigation, and, indeed, commissioners have been put into Tower Hamlets by the Department for Communities and Local Government.

T10. [906143] Steve McCabe (Birmingham, Selly Oak) (Lab): Should I understand from the Home Secretary’s earlier answer to my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) that it is her intention that the relatives of those killed in the Birmingham pub bombings should have access to legal representation at the fresh inquests?

Amber Rudd: I am afraid the hon. Gentleman has got a little ahead of the meeting I am having this afternoon in order to address exactly that proposal, so no decision has been made yet.

Mr Speaker: The general consensus is, I think, that on the whole it is better to be ahead than behind.

Sir David Amess (Southend West) (Con): Recently I visited a UN Gift Box event in Southend on human trafficking organised by the Soroptimist society. Does my right hon. Friend the Secretary of State agree that the general public should do everything they can to co-operate with the police and other authorities to stamp out this dreadful trade?

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): I agree entirely with my hon. Friend. The public have a vital role to play in tackling this horrendous crime. In July 2014 the Home Office ran a national TV, radio and online campaign raising awareness of human trafficking, and the campaign materials are available on gov.uk for use by partners.

Louise Haigh (Sheffield, Heeley) (Lab): Despite a UN resolution in May, the targeting of medical facilities, predominantly by the Syrian Government, continues, with at least 72 further attacks over the summer. This is clearly exacerbating the refugee crisis, so will the Home Secretary work with colleagues across Government to ensure that this despicable targeting of hospitals by the Syrian Government is stopped and international law is immediately complied with?

Amber Rudd: The hon. Lady raises an important point about an area that is undergoing horrendous experiences, and, yes, indeed I will: we will do everything we can to help the people of Syria who are undergoing those terrible circumstances.

Lucy Allan (Telford) (Con): Tragically, ex-footballer Dalian Atkinson recently died outside his father’s house in my constituency, following the deployment of Tasers by the police. The officers involved were not wearing bodycams. Does the Minister agree that all police carrying any sort of weapon should wear bodycams to protect both police and public?

Brandon Lewis: My hon. Friend raises a tragic situation. The loss of any life is obviously tragic, and the deployment of body-worn video is an operational matter for police, but I hope she will appreciate that it would be inappropriate of me to comment further as there is an ongoing Independent Police Complaints Commission investigation ahead of the coroner’s inquest.

Dr Philippa Whitford (Central Ayrshire) (SNP): A young couple in my constituency from Slovakia who have been in Scotland for 14 years began the process of
applying for British citizenship after the Brexit vote. As the Home Secretary will be aware, the first stage is permanent right of residency. The lady in this couple was refused. The Home Secretary says nothing has yet changed, but I cannot understand how an EU national could be refused residency after living here for 14 years.

Amber Rudd: To be frank, it is difficult to comment on individual situations like that, but if the hon. Lady would like my Department to have a look, I ask her to please write to us about it and we will do so. I also ask her and other hon. Members to reassure their constituents that at the moment nothing has changed.

Sir Edward Leigh (Gainsborough) (Con): There is no point in blaming the French for the mess in Calais if we continue to be a magnet for illegal migrants. The fact is that we grant asylum to more illegal migrants than France does, and we deport fewer of them. Of the 44,000 applications received up to June, more than half were granted and only half those who were refused were deported. Will the new Home Secretary take action to deal with illegal migration?

Amber Rudd: I am always keen to take action to follow the law where it is appropriate. There are many reasons why we are more popular with asylum seekers than some other countries. It is often to do with language, with families or with the diaspora in our communities; it is not simply about the process around asylum seeking. My hon. Friend should rest assured that we take getting the numbers down very seriously.

Christian Matheson (City of Chester) (Lab): Has the Home Secretary seen the report from the National Society for the Prevention of Cruelty to Children which suggests that children as young as 11 are becoming the victims of revenge porn? These are primary school-aged children. When will Ministers in her Department and across Government start working together to eradicate this? We know that once these pictures get out into cyberspace, they can fuel online child abuse.

Sarah Newton: The hon. Gentleman raises a truly horrendous crime, and the Government have taken a great deal of action not only to bring in new offences and to prosecute them but, critically, to educate young people and their families about the risks they take when they share images of themselves online. We will do everything possible to protect young people.

Several hon. Members rose—

Mr Speaker: Order. Sadly, we must move on.
Humanitarian Law (Yemen)

3.36 pm
Hilary Benn (Leeds Central) (Lab) (Urgent Question):
To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government assessments of breaches of international humanitarian law in Yemen.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): I should like to thank the right hon. Member for Leeds Central (Hilary Benn) for raising this important matter and to pay tribute to him for his work on keeping the House up to date on these matters and providing the scrutiny we need. Recognising the importance of the issue, my right hon. Friend the Foreign Secretary issued a written ministerial statement today to update Parliament on the situation in Yemen, and this update specifically includes references to international humanitarian law.

We are aware of reports of alleged violations of international humanitarian law by parties to the conflict. As I have said on many occasions, we take these allegations very seriously. The Government regularly raise the importance of compliance with international humanitarian law with the Saudi Arabian Government and other members of the Saudi Arabian-led military coalition. The Foreign Secretary raised the issue of international humanitarian law compliance most recently with his Saudi counterpart, Foreign Minister Adel al-Jubeir, on 22 August. I also did so in Jeddah on 25 August, at the Yemen conference chaired by Secretary John Kerry.

It is important that, in the first instance, the Saudi Arabian-led coalition conducts thorough and conclusive investigations into incidents where it is alleged that international humanitarian law has been breached. This follows international practice. The coalition has the best insight into its own military procedures and will be able to conduct the most thorough and conclusive investigations. This will also allow the coalition forces to understand what went wrong and to apply the lessons learned in the best possible way. This is the standard that we set for ourselves and our allies. In this respect, Saudi Arabia announced more detail of how incidents of concern involving coalition forces are investigated on 31 January. The Saudi Arabian-led coalition joint investigations assessment team publicly announced the outcome of eight investigations on 4 August, and further publications will follow.

I also want to reiterate that clarifications made in the 21 July written ministerial statement do not reflect a change in position. The changes were made to ensure that the parliamentary record is consistent and that it accurately reflects policy. The statement of 21 July outlines that it is “important to make clear that neither the MOD nor the FCO reaches a conclusion as to whether or not an IHL violation has taken place in relation to each and every incident of potential concern that comes to its attention. This would simply not be possible in conflicts to which the UK is not a party, as is the case in Yemen.”

The MOD monitors incidents of alleged international humanitarian law violations using the available information. This has been used to form an overall view on Saudi Arabia’s approach and attitude to international humanitarian law. In turn, that informs the risk assessment made under the consolidated criteria on whether there is a risk that something might be used in the commission of a serious violation of international humanitarian law. We are not acting to determine whether a sovereign state has or has not acted in the breach of international humanitarian law. Instead, as criterion 2(c) requires, we are acting to make an overall judgment.

I am sorry that there has been confusion. We are responding to two written ministerial statements that were in error. After trawling through other such statements, of which there are more than 90, four more were seen to be in error. I came to the House today in order to clarify that, but as soon as I became aware of it I made a statement and wrote to the right hon. Gentleman and the Chairs of the International Development Committee, the Committees on Arms Export Controls, and the Foreign Affairs Committee. I hope that that has clarified the situation.

Hilary Benn: I thank the Minister for his reply. As he knows, there have been many reports by the UN and others of breaches of international humanitarian law in Yemen by both the Houthis and the Saudi-led coalition, which uses British military equipment. Ministers have been repeatedly questioned about that and the Government told the House that they “have assessed that there has not been a breach of IHL by the coalition.”

Then, as we have just been told, on 21 July—by chance, the day on which the House rose—a written ministerial statement corrected that and other answers, stating that the Government have “been unable to assess that there has been a breach of IHL by the Saudi-led Coalition.”

That is the very opposite of what the House had been repeatedly told. I listened carefully to what the Minister had to say, but he offered no satisfactory explanation of why that happened. First, will he do so now? It was not a minor correction but a consistent failure to provide Members with accurate answers.

Secondly, the mistakes were identified on 24 June, as I understand it, but they were not reported to the House until 27 days later, even though the “Ministerial Code” says that Ministers must correct “any inadvertent error at the earliest opportunity.”

Why did it take so long?

Thirdly, after months of the Government being apparently incapable of doing an assessment of international humanitarian law, they have managed to undertake one during the recess in relation to the arms export tests, which state that a licence should not be granted “if there is a clear risk... of a serious violation” of IHL. The Foreign Secretary said in a written statement only this morning: “Having regard to all the information available to us, we assess that this test has not been met.”

When is an assessment not an assessment? Will the Minister now tell us what detailed assessment preceded the conclusion that was reported to the House today and what information it drew upon? Will he publish both?

Finally, will the Government now suspend arms sales to Saudi Arabia until they are able to assure the House that they have done a proper assessment and can explain.
Mr Ellwood: Let us take a step back and make it clear why Saudi Arabia is leading the coalition to support President Hadi. It is allowed to because of UN resolution 2216, of which the right hon. Gentleman is fully aware. Were it not for that, the atrocities that we see and the devastation that is taking place would be a lot worse. The Houthis would have pushed far down through Sana'a, the capital, and all the way to the port of Aden. It would be a humanitarian catastrophe.

Having said that, we absolutely need to make sure that our allies and partners are honouring international humanitarian law, which is why we have regularly raised these matters. I invite the right hon. Gentleman to join me when the Saudi Arabian Foreign Minister comes to this place on Wednesday to address any questions that are put by parliamentarians; it is at 10 o'clock and the right hon. Gentleman is more than welcome to come. I will make sure, because I will be moderating the event, that he is able to put some of these questions to the Foreign Minister.

On the general point, the right hon. Gentleman simply repeated the difference in the two lines, which I have endeavoured to correct. I have answered more than 90 parliamentary questions on this matter. We found out that two of them were incorrectly written, with a further trawl showing that four more were incorrectly written, and we immediately decided to correct the matter. I agree that the timing, first in replying to the various heads of the Committees, was slower than it should have been. If he knows me, he will know that I would not sit on this matter; the reason for this was simply that there was a change of government, and there were delays—I did not even know whether I was going to continue in this portfolio. As soon as I became aware of the situation, I made sure that the necessary information was out there and that we did a further trawl to make sure nothing else was erroneous. I then wrote to the relevant Committee Chairs and to the right hon. Gentleman.

Crispin Blunt (Reigate) (Con): Will the Minister confirm that it is in our interest, and in their interest, that our regional allies in the Saudi-led coalition comply with international humanitarian law in their operations in Yemen? Will he remind the House that the Gulf Co-operation Council states are our allies and that the coalition is operating under the authority of a unanimously adopted UN resolution, in response to an illegal usurpation of power in Yemen?

Mr Ellwood: I am grateful for the question, which gives me licence to spell out the fact that this is new territory for Saudi Arabia. We have learnt to make sure that when errors are made on the battlefield and there is collateral damage, we put our hand up and say that something has happened that should not have happened; that is exactly what the Americans did in Kunduz, in Afghanistan, when the hospital was hit. We are dealing here with a conservative nation not used to such exposure, and I am pleased to say that we are making progress to make sure that it answers to the international scrutiny that it must answer to.

Emily Thornberry (Islington South and Finsbury) (Lab): I echo strongly the concerns raised by my right hon. Friend the Member for Leeds Central (Hilary Benn); the incorrect answers that he and other Members were given were totally unacceptable, as was the time in which they were corrected, which has added insult to injury. It is clear that the assurances this House was previously given on breaches of humanitarian law have proved inaccurate. Do other assurances that we have given remain valid? In May, the then Minister for Defence Procurement, the hon. Member for Ludlow (Mr Dunne), told this House that there was “no evidence” that coalition forces in Yemen had used cluster munitions in civilian areas. Indeed, he claimed that the cluster munitions found in Yemen, which had been responsible for the deaths and maiming of many innocent civilians, had come from “previous conflicts” in the region. Does the Foreign Office stand by that assessment? In May, we also asked a question that that Minister repeatedly failed to answer, so I give today’s Minister an opportunity to answer it: have the coalition forces in Yemen used weapons or planes manufactured in Britain in this conflict? Have they used them to drop cluster munitions? Have they used them to commit breaches of international humanitarian law? If we simply do not know the answers to those questions, is it right to continue selling weapons and planes to Saudi Arabia until we have answers?

Mr Ellwood: The hon. Lady began by saying that it was unacceptable that these erroneous statements were put out, and I agree with her, which is why I wrote and took measures to make sure that the record was corrected. I make it very clear that the profile of interest in Yemen, with more than 90 written ministerial questions on the matter, is such that we had to correct the issue. Two errors were found, with a further four found on a trawl. That is why I wrote the necessary letters and produced the necessary statements to correct the matter, and I apologised to the Chamber. I hope that that apology is recognised; this was not some big plot or conspiracy to mislead. Our policy remains extremely clear on where we stand on our support for our friends in the Gulf.

The hon. Lady raises the sale of cluster munitions by Britain, which did happen before we signed the convention on cluster munitions—I think she is referring to the BL-755. I have seen one piece of evidence on that incident, and the bomb was unexploded; the bomblets themselves were in the case.

Emily Thornberry: So, that is okay then.

Mr Ellwood: I am not saying that it was okay at all. What I am saying is that as soon as we found out about it, we asked Saudi Arabia to do exactly what any other country should do in the same situation, which is to determine what is going on. As soon as we have more information, we will certainly share it with the House. I invite the hon. Lady to pose those questions to the Saudi Foreign Minister when he comes to the House on Wednesday.

Bob Stewart (Beckenham) (Con): It is tragic when anyone who is innocent is killed in such a conflict. I visited the Saudi-led air operations centre some months ago in Riyadh. I specifically asked the pilots and the commanders about their rules on weapons release on targets in Yemen, and I was very reassured by their
answers. It was clear that their procedures now seem to be as good as our own. Does the Minister agree with me?

Mr Ellwood: There is no doubt that this has been a learning curve for Saudi Arabia. The conference that I attended and represented Britain at last week in Jeddah moved us forward from conflict and a military approach to looking at what agreement can be made politically and militarily so that we can put the matter behind us and create the stability that we need in that country.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): The UK has a clear role in the conflict, and yet we are still no closer to learning why this Government have failed to carry out their own independent investigation into whether international humanitarian law was breached. Hospitals have been bombed and civilians have been killed. We must end arms sales to Saudi Arabia now and conduct our own investigation. Ministers must remove their heads from the sand and apologise to this House for attempting to brush the issue under the carpet. Parliament was misled six times. Rather than facing the music, did Ministers deliberately hide this knowledge from the House until the last day before the recess? This House and the public deserve more respect from this Government. A humanitarian disaster continues to unfold in front of our very eyes in the Yemen. We need answers and action today; nothing less will do. Will the Minister commit to ending arms sales to Saudi Arabia?

Mr Ellwood: I am sorry that the hon. Lady has personal interest in the matter, as do others, and he has raised this subject on many occasions. I am pleased that the hon. Member for Swansea West (Geraint Davies) and others have raised this concern, which I think he House shares, about the humanitarian catastrophe that is unfolding in Yemen. For example, in July only 43% of the monthly food needs and only 23% of the fuel needs were met in that country. That is because there is no access or no complete access to the country. We need to see aid coming in not just through the port of Aden, but Hodeida further up the west coast opened up to provide access to the northern part of the country.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): Will the Minister confirm reports that the Prime Minister has raised concerns about the Yemen directly with Saudi Arabian leaders at the G20? Will he also say a bit more about what the Government are doing to try to get Saudi Arabia to sign up to the UN cluster munitions convention? I have invited Saudi Arabia to consider signing it as an indication of where it wants to move to in the future.

Mr Ellwood: The conduct of war in Yemen is complicated. Much of the conflict is taking place in urban areas. The Houthis are using civilians as guards and cities. It is very complicated indeed. We have encouraged Saudi Arabia and the coalition to make sure that as little collateral damage takes place as possible. The hon. Lady seems to suggest that if we did not support UN resolution 2216 and if we did not support President Hadi’s request for support, somehow Yemen would be in a better situation. I can tell her that quite the opposite would be the case.

Keith Vaz (Leicester East) (Lab): I thank the Minister for coming to the House and correcting the record in respect of the errors that occurred. He will know that three Members of this House—the hon. Member for Portsmouth South (Mrs Drummond), my hon. Friend the Member for Walsall South (Valerie Vaz) and myself—were born in Yemen. Our fear is that Yemen is bleeding to death. There is a massive humanitarian crisis, the worst in the world. What is being done to get food in to the population of Yemen and to make sure that that happens as quickly as possible?

Mr Ellwood: I pay tribute to the right hon. Gentleman for the work that he has done. He obviously has a personal interest in the matter, as do others, and he has raised this subject on many occasions. I am pleased that he has raised the huge concern, which I think he House shares, about the humanitarian catastrophe that is unfolding in Yemen. For example, in July only 43% of the monthly food needs and only 23% of the fuel needs were met in that country. That is because there is no access or no complete access to the country. We need to see aid coming in not just through the port of Aden, but Hodeida further up the west coast opened up to provide access to the northern part of the country.

Mrs Flick Drummond (Portsmouth South) (Con): Do the Government support the establishment of an international independent investigation following the humanitarian law (Yemen) convention? I have invited Saudi Arabia to consider signing it as an indication of where it wants to move to in the future.

Mr Ellwood: My hon. Friend raises a valid point. The process that we follow is to encourage any country to conduct its own investigation, as we would do. As I stated in answer to a previous question, if we find those investigations wanting, we will call for an independent investigation. As I said in my opening remarks, eight publications have already come forward, having analysed certain breaches or events that have taken place, and there will be further publications on other events in the near future.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Is it not a fact that the Saudi-led coalition to support the Yemen Government is clearly targeting civilian areas? Can the Minister remind us why we are supporting it?

Mr Ellwood: The conduct of war in Yemen is complicated. Much of the conflict is taking place in urban areas. The Houthis are using civilians as guards in order to deliberately take the battle into the towns and cities. It is very complicated indeed. We have encouraged Saudi Arabia and the coalition to make sure that as little collateral damage takes place as possible. The hon. Lady seems to suggest that if we did not support UN resolution 2216 and if we did not support President Hadi’s request for support, somehow Yemen would be in a better situation. I can tell her that quite the opposite would be the case.
Nigel Huddleston (Mid Worcestershire) (Con): Does the Minister believe that al-Qaeda is active in Yemen and, if so, how active?

Mr Ellwood: I can confirm that. As this House is only too aware, where there is conflict and instability, it is very easy for extremism to flourish, and Yemen is a great example of that. Al-Qaeda in the Arabian Peninsula is one of the most active branches of al-Qaeda, responsible for the printer cartridge bombing and for the Charlie Hebdo attacks in Paris. As long as there is instability, it will continue to flourish. The port of Mukalla in the south—an entire city—was until recently run by al-Qaeda. That is why we need a political solution for that country.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Just over a year ago my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) and I presented a petition to this House about the dire humanitarian crisis in Yemen. In the light of today’s statement, may I urge the Minister to revisit the issue of immediate and dependants of British citizens who cannot get out of Yemen, many of whom are stuck in areas that do not have access to humanitarian aid workers and who are having to wait up to 12 months for a decision on their applications to come to Britain? May I urge him to work with his colleagues in the Home Office to speed up this process?

Mr Ellwood: The hon. Lady raises two important and related issues. The first is to do with the international humanitarian support for the country. This is something that my right hon. Friend the Secretary of State for International Development will be raising at the UN General Assembly to see what more the international community can do. On the migrant situation and those being granted refugee status, I will raise that with my Home Office colleagues.

Seema Kennedy (South Ribble) (Con): Given the recent upgrade in diplomatic relations between the UK and Iran, will Yemen be the subject of discussions between the two countries?

Mr Ellwood: My hon. Friend raises a very important point—the responsible role that Iran can and should take given where it is now in relation to the nuclear deal. If it wants to play a helpful role on the international stage in the region, then it needs to check its proxy related issues. The first is to do with the international humanitarian law in the Yemeni armed conflict in these circumstances, to remind the Saudis that these sayings of Abu Bakr, the first caliph of Islam, who set

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Only last month, Oxfam claimed that the UK Government had switched from being an enthusiastic backer of the arms trade treaty to one of the most significant violators. The Government have lost immense credibility over this saga, and that was not helped by last-minute retractions. Do they not accept that if they echoed calls for an international independent inquiry, the added transparency and accountability would be a benefit to all stakeholders involved?

Mr Ellwood: I do not agree with the first part of the hon. Lady’s question, as she might guess, but the second part I do agree with. The process that we must follow is to allow and encourage Saudi Arabia to make sure that it does the necessary investigations, as it is now starting to do. If we find that those investigations are wanting, it is absolutely right that we should then call for an independent international investigation to be carried out.

Mark Prizitch (The Wrekin) (Con): Of course Iran has equal responsibility under international humanitarian law, as well as Saudi Arabia. The Minister, as the surviving Minister in the Foreign Office, will know that several months ago, when it was revealed that the UK was supplying weapons to Saudi Arabia for the Yemen campaign, the justification for the Government’s position was that those weapons were accurate and needed by Saudi Arabia, and that the technical targeting assistance was being provided by the British to make sure that those accurate weapons were even more accurate. Given that that is the case, why have so many weapons gone astray?

Mr Ellwood: We have a very robust relationship with Saudi Arabia. We are able to raise matters in confidence and in private that we would not be able to raise in public, and that applies to many of the issues that have been raised today. However, this is a legitimate coalition, and it is allowed to use weapons that are provided and sold by the United Kingdom.

Mr Kevan Jones (North Durham) (Lab): One of the accusations against the Saudis is that UK-made cluster munitions have been used in Yemen. The former procurement Minister, the hon. Member for Ludlow (Mr Dunne), told the House before the recess that the last time the UK sold cluster munitions was 30 years ago. What assessment has the Minister or the MOD made of the usability of those weapons and whether they have ever actually been used?

Mr Ellwood: I recognise the interest and also the expertise that the hon. Gentleman brings to the House given his work as a Minister in the MOD. As a reservist and an ex-member of the regular forces, I would not go anywhere near any ordinance that was over 20 years old. The cluster munitions that are being discussed are well past their sell-by date. They are dangerous and should not be used by anybody.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome the efforts that my hon. Friend’s Department has made in helping the Saudis with their application of international humanitarian law in the Yemeni armed conflict. Has he used any of our wonderful British imams who have served in the armed forces of the United Kingdom, many of whom have studied the sayings of Abu Bakr, the first caliph of Islam, who set out many of the rules of war that would apply very well in these circumstances, to remind the Saudis that these are not western concepts at all but actually Islamic themes?

Mr Ellwood: My hon. Friend touches on quite a deep issue that reflects his knowledge and expertise in this area, to which I pay tribute. I spent some of the summer reading the works of Gertrude Bell, which I know he has studied. She illustrates, and learned over a long period, the complexity that we are dealing with in today’s Saudi Arabia. We have to understand and recognise
that it is a conservative society which is being obliged and encouraged to move at a far faster pace than many other countries in the world, not least in the legitimacy of running a complex and sustained campaign of war.

**Tom Brake** (Carshalton and Wallington) (LD): The key test for the UK Government’s continued arms exports to Saudi Arabia in relation to international humanitarian law is whether there is a clear risk that those weapons might be used in the commission of a serious violation of that law. If the Government do not consider the repeated bombing of hospitals, schools and markets, and the designation of whole cities such as Ma’aran as war zones, a serious violation of humanitarian law, what does fall into that category?

**Mr Ellwood**: The right hon. Gentleman raises a number of events that have taken place and are being looked into by Saudi Arabia, but there is also a comparison with what happened with the United States, when a hospital was also attacked. The question is whether any nation puts its hand up and says that a mistake has been made or whether it tries to cover things up and say that they did not happen, which would be a breach of international humanitarian law.

**Sir Edward Leigh** (Gainsborough) (Con): These were not minor corrections issued on 21 July; frankly, the Government are now saying the complete opposite of what they said before. I am reminded of Ron Ziegler, President Nixon’s former press secretary, who said that all previous statements were inoperative. It is not just that the Government said that there was no evidence that IHL had been breached and are now saying that they are unable to assess whether there have been breaches. They also said that the MOD was of the opinion that the Saudis were not targeting civilians; now they say that the MOD has not assessed whether the Saudis are targeting civilians. This is a deeply serious matter. The Government must take action and we now want answers to these questions. Are the Saudis actually targeting civilians? This is a deeply serious matter. The Minister must come back to the Chamber and give answers on these serious matters.

**Mr Ellwood**: My hon. Friend makes his point, but I will just say that each case is considered in its own right. Each arms export is considered under the ruthless criteria under which we operate. We look to the future, to the intent of that country and at how those weapon systems will be used. As things stand, we do not believe that they will be used in breach of IHL.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): It is rare that I agree with the hon. Member for Gainsborough (Sir Edward Leigh), but communications from Ministers and the Government on this issue have been positively Kafkaesque to say the least. The lack of clarity in the information given in answers and to Committees of this House is not acceptable. Let us get back to the facts, Mr Speaker. Saudi Arabia admitted on 4 August that it had mistakenly bombed a residential complex, a World Food Programme convoy and medical facilities, never mind the other examples that have been raised by non-governmental organisations and other humanitarian organisations. Is the Minister satisfied with that? If he is not, will he suspend those arms sales?

**Mr Ellwood**: Thousands of sorties have been made not just by Saudi Arabia but by the entire coalition. Errors have been made as well. I do not agree with the hon. Gentleman’s opening statement, which implied that I have either misled or not been up front about what is going on. I have been very clear indeed. If he wants to talk about the specific issues that he has raised today, I am more than happy to meet him outside the Chamber and we can look into them. I have encouraged Saudi Arabia to look into every one of those cases and provide a report.

**Kevin Foster** (Torbay) (Con): The Minister will be aware that sometimes with situations in the middle east we must be careful what we wish for because of what might come in its place. Does he agree that Saudi Arabia could do a lot to reinforce people’s confidence in its operations by joining the international ban on cluster munitions, to which we are already party?

**Mr Ellwood**: That is absolutely right. I know that there is an intention among the establishment in Saudi Arabia to move forward in that regard, but as I have touched on in the past, this is a conservative society led by a liberal wing of that society. It needs to move at a pace that is workable for Saudi Arabia, and a major step forward would be the consideration of signing the cluster weapons convention.

**Alison Thewliss** (Glasgow Central) (SNP): It is clear that the situation in Yemen is not improving and respected organisations are calling for independent investigation of violations of international humanitarian law, yet in the second quarter of 2016 this Government, and the Minister’s colleagues in the Home Office, refused 13 asylum applications, and 57 applications from Yemeni citizens remain pending. Will the Minister speak with his colleagues in the Home Office and impress on them the need for certainty for those Yemeni citizens that they will not be removed to a country that is a war zone because of bombs that we are selling to the Saudis?

**Mr Ellwood**: Just to clarify, am I right in thinking that the hon. Lady expects Yemenis based in the UK to be returned to Yemen?

**Alison Thewliss**: The 13 refusals.

**Mr Ellwood**: I will raise that. This question has already been raised by a Labour Member and I will look at it again, but my understanding is that nobody is being returned to a war zone.

**Mr Speaker**: I would just make the point that it is not uncommon for the same point to be raised more than once in the course of an interrogation of a Minister, a fact with which I am sure the hon. Gentleman is intensely familiar.

**Mike Wood** (Dudley South) (Con): Will the Minister reassure the House that the conflict in Yemen and accusations of breaches of international humanitarian law are taken into consideration when looking at extending arms exports?

**Mr Ellwood**: The answer to that is yes—that is absolutely the case. We have now moved forward in our discussions. The Houthis, after walking out of the discussions in
[Mr Ellwood]

Kuwait, are now working with the UN envoy, and I hope that we will be able to move forward from the phase of war and armed conflict to one of political resolution.

Thangam Debbonaire (Bristol West) (Lab): Will the Minister please tell the House, very simply, whether any weapons or planes manufactured in the United Kingdom have been used in the conflict in Yemen and, in particular, whether they have been used against civilians?

Mr Ellwood: I cannot answer the latter part of that question but I can say that, yes, we have sold weapons and aircraft systems to Saudi Arabia and other members of the coalition which have been used legitimately, following a request by President Hadi under resolution 2216.

Mr Philip Hollobone (Kettering) (Con): Will the Minister confirm that Britain's international aid commitment to Yemen more than doubled this year to £85 million, making us the fourth largest donor in the world? What steps has he taken to ensure further unhindered access of that humanitarian aid to the places that need it most?

Mr Ellwood: I can confirm that we are the fourth largest donor. My hon. Friend is right to say that the figure is £85 million and, looking at my Department for International Development colleagues, I hope we will be able to increase it. I know that every effort will be made at the UN General Assembly in the coming weeks to rally other countries to provide more financial support and to make sure that it reaches those people who genuinely require it.

Andrew Gwyne (Denton and Reddish) (Lab): Will the Minister outline what procedures are in place for the sharing of United Kingdom intelligence with Gulf states? What assurances can he give the House that none of that intelligence is being used to support the airstrikes in Yemen?

Mr Ellwood: I cannot comment, for the obvious reason that we do not discuss intelligence matters at the Dispatch Box.

Mr Nigel Evans (Ribble Valley) (Con): Will the Minister confirm that what he is saying is that he has no evidence whatsoever that Saudi Arabia has been involved in any human rights violations? If there were such evidence, would he suspend arms sales to Saudi Arabia?

Mr Ellwood: It is not in my gift to make that judgment—the Foreign Office can only make recommendations—but my hon. Friend is absolutely right to say that, if we were to find breaches of international humanitarian law, that would change our view of whether future arms exports should take place.

Douglas Chapman (Dunfermline and West Fife) (SNP): The Saudi Government have been trusted with the oversight of weapons licensed by the UK Government and used in Yemen, with disastrous consequences. Does the Minister consider that to be misjudgment? Should not oversight be more independent, and should not an independent inquiry begin now, without delay?

Mr Ellwood: I think that Saudi Arabia has been slow in acknowledging international scrutiny of the various weapons systems that have been used in the conflict itself. Having said that, we are seeing an advancement in its processes, and it is those processes that we must now lean on to make sure that Saudi Arabia puts its hand up if there is a mistake and any collateral damage.

Nick Thomas-Symonds (Torfaen) (Lab): The Minister has said that the Government are unable to draw conclusions about individual allegations of human rights breaches, but will he comment on how the overall risk assessment has changed in the light of the reported breaches, and how worried is he that weapons manufactured here in the UK have been involved?

Mr Ellwood: We look to the future to see the intent of the country and how the weapons might be used, and whether there is transparency on misuse and collateral damage. That is why we lean on the Saudi Arabians and encourage them to produce the necessary reports that provide the light for which the NGOs, we and, indeed, other members of the international community are looking.

Brendan O'Hara (Argyll and Bute) (SNP): In answer to my question on 2 February regarding violations of international humanitarian law, the Minister said that the Government were aware of such reports and that they would “continue to monitor the situation closely”.

In the intervening seven months, what further information has been gleaned by the Government? Exactly what has happened in Yemen before this Government recognise a breach of international humanitarian law and stop arming Saudi Arabia?

Mr Ellwood: I am not familiar with the exact reports that the hon. Gentleman is referring to, but I would be happy to speak to him in more detail. If he is referring to the report by the UN committee of experts, in which I think more than 100 allegations were made, that UN team did not actually set foot in Yemen when they compiled that evidence. Having said that, we passed that on to the Saudi Arabians for them to comment on what had happened.

Diana Johnson (Kingston upon Hull North) (Lab): The Minister has said that Saudi Arabia, in the first instance, should be allowed to investigate any breaches of international humanitarian law, but with both the Saudi joint incidents assessment team and the Yemeni national commission of inquiry failing to carry out proper investigations, does he not think that it is time to press for a full independent investigation into what has gone on?

Mr Ellwood: Those two organisations do slightly separate work. What we expect from the Saudi Arabians—they acknowledge that they have been slow to put the processes in place—is that they investigate any alleged...
violations and provide a full report. The Yemeni investigation team is looking at human rights violations on the ground that have been conducted under the fog of war—the use of child soldiers, for example—which is quite a separate matter.

Patrick Grady (Glasgow North) (SNP): Why did we have to wait until the very last day before the recess for the corrections to be produced? Why could that not have happened the day before, so that the Minister could have taken oral questions the next day? We have had to wait all summer long, and we have finally had a question session but we still have no answers. I would have thought that the Government had had time enough to be able to answer some of the questions raised by hon. Members today.

Mr Ellwood: There were answers. As soon as I found out about the matter, I wrote to the necessary Committee Chairs. If there had been an opportunity before we broke up for the recess, I certainly would have taken it. If it is any consolation, I apologise to the House for not coming to this place earlier to put that on the record. I make that very clear indeed.

Exiting the European Union

4.17 pm

The Secretary of State for Exiting the European Union (Mr David Davis): I thought it would be useful for the House to be brought up to date on the working of my Department after the referendum of 23 June. Our instructions from the British people are clear. Britain is leaving the European Union. The mandate for that course is overwhelming. The referendum of 23 June delivered a bigger vote for Brexit than that won by any UK Government in history. It is a national mandate, and this Government are determined to deliver it in the national interest.

The Prime Minister has made it clear that there will be no attempt to stay in the EU by the back door; no attempt to delay, frustrate or thwart the will of the British people; and no attempt to engineer a second referendum because some people did not like the first answer. The people have spoken in a referendum offered to them by this Government and confirmed by Parliament—by all of us, on both sides of the argument—and we must all respect it. That is a simple matter of democratic politics.

Naturally, people want to know what Brexit will mean. Simply, it means leaving the European Union, so we will decide on our borders, our laws and the taxpayer’s money. It means getting the best deal for Britain: one that is unique to Britain and not an off-the-shelf solution. This must mean controls on the numbers of people who come to Britain from Europe, but also a positive outcome for those who wish to trade in goods and services. This is an historic and positive moment for our nation. Brexit is not about making the best of a bad job; it is about seizing a huge and exciting opportunity that will flow from a new place for Britain in the world. There will be new freedoms, new opportunities and new horizons for our country. We can get the right trade policy for the UK. We can create a more dynamic economy, a beacon for free trade across the world. We want to make sure our regulatory environment helps, rather than hinders, businesses and workers. We can create an immigration system that allows us to control numbers and encourage the brightest and best to come to this country.

I want to be clear to our European friends and allies that we do not see Brexit as ending our relationship with Europe; it is about starting a new one. We want to maintain or even strengthen our co-operation on security and defence. It is in the interests of both the UK and the European Union that we have the freest possible trading relationship. We want a strong European Union, succeeding economically and politically, working with Britain in many areas of common interest, so we should all approach the negotiations to come about our exit with a sense of mutual respect and co-operation.

I know the House will want to be updated about the work of the Department. It is a privilege to have been asked to lead it by the Prime Minister. The challenge we face is exciting and considerable. It will require significant expertise and a consistent approach. Negotiating with the EU has to be got right, and we are going to take the time to get it right. We will strive to build national consensus around our approach.

We start from a position of economic strength. As the Prime Minister said yesterday, there will be challenges ahead, but our economy is robust, thanks in no small
part to the work of my right hon. Friend the Member for Tatton (Mr Osborne). The latest data suggest our manufacturing and service industries and consumer confidence are all strong, contrary to some of the earlier predictions. Businesses are putting their faith and their money into this country. Over the summer, SoftBank, GlaxoSmithKline and Siemens all confirmed that they will make major investments in the UK. Countries, including Australia, have already made clear their desire to proceed quickly with a new trade deal for the UK. As other nations see advantages to them, I am confident that they will want to prioritise deals with the UK, too. But we are not complacent. Our task is to build on this success and strength and to negotiate a deal for exiting the European Union that is in the interests of the entire nation.

As I have already indicated, securing a deal that is in our national interest does not and must not mean turning our back on Europe. To do so would not be in our interests, nor Europe’s, so we will work hard to help to establish a future relationship between the EU and the UK that is dynamic, constructive and healthy. We want a steadfast and successful European Union after we depart.

As we proceed, we will be guided by some clear principles. First, as I have said, we wish to build national consensus around our position. Secondly, we will always put the national interest first. We will always act in good faith towards our European partners. Thirdly, wherever possible, we will try to minimise any uncertainty that change will inevitably bring. Fourthly, and crucially, by the end of this process we will have left the European Union and put the sovereignty and supremacy of this Parliament beyond doubt.

The first formal step in the process of leaving the European Union is to invoke article 50, which will start two years of negotiations. Let me briefly update the House on how the machinery of government will support our efforts and on the next steps we will take. First, on responsibilities, the Prime Minister will lead the UK’s exit negotiations and be supported on a day-to-day basis by my Department. We will work closely with all Government Departments to develop our objectives and to negotiate new relationships with the EU and the rest of the world. Supporting me is a first-class ministerial team and some of the brightest and best in Whitehall, who want to engage in this national endeavour. The Department now has over 180 staff in London, plus the expertise of over 120 officials in Brussels. We are still growing rapidly, with first-class support from other Departments.

As to the next steps, the Department’s task is clear. We are undertaking two broad areas of work. First, given that we are determined to build national consensus, we will listen and talk to as many organisations, companies and institutions as possible—from large plc to small businesses, and from the devolved Administrations to councils, local government associations and major metropolitan bodies.

We are already fully engaged with the Governments of Scotland, Wales and Northern Ireland to ensure a UK-wide approach to our negotiations. The Prime Minister met the First Ministers of Scotland and Wales and the First Minister and Deputy First Minister of Northern Ireland in July. Last week, I visited Northern Ireland for meetings with its political leaders, where I reiterated our determination that there will be no return to the hard borders of the past. I will visit Scotland and Wales soon.

My ministerial colleagues and I have also discussed the next steps with a range of organisations. My first meeting was with the general secretary of the Trades Union Congress, followed by key business groups, representatives of the universities and the charitable sector, and farming and fisheries organisations. But that is just the start. In the weeks ahead, we will speak to as many other firms, organisations and bodies as possible—research institutes, regional and national groups, and businesses up and down the country—to establish their priorities and the opportunities for the whole of the UK. As part of that exercise I can announce that we will be holding roundtables with stakeholders in a series of sectors, to ensure that all views are reflected in our analysis of the options for the UK. [Interruption.]

Mr Speaker: Order. Will the right hon. Gentleman resume his seat for just a moment? There is quite a lot of unseemly and, dare I say it, somewhat unstatesmanlike noise from a sedentary position. Someone was muttering, “Too long!” It is not too long at all. The right hon. Gentleman is perfectly in order. Let me remind the House that it has always been my practice to facilitate the fullest and most extensive interrogation of the relevant Minister, and that will happen today. Everyone will have his or her opportunity. But it would be a good thing if people would listen respectfully. If they can manage a beaming countenance reminiscent of that of the Foreign Secretary that will be a bonus, but it is not obligatory.

Mr Davis: Those roundtables will include stakeholders from the broadcast, aviation, energy, financial services and automotive sectors, and others.

I will also engage with EU member states. I am beginning with a visit to Dublin this week. I am working particularly closely with the Foreign Secretary and the Secretary of State for International Trade, who have been meeting counterparts in Washington, Brussels and Delhi, and in the capitals of other EU states. While we do that, my officials, supported by officials across Government, are carrying out programme of sectoral analysis and regulatory analysis, which will identify the key factors for some 50 sectors of British business. It is extremely important that the House understands that. We are building a detailed understanding of how the withdrawal from the EU will affect domestic policies, to seize opportunities and ensure a smooth process of exit.

The referendum result was a clear sign that the majority of the British people want to see Parliament’s sovereignty strengthened, and so throughout the process Parliament will be regularly informed, updated and engaged.

Finally, we are determined to ensure that people have as much stability and certainty as possible in the period leading up to our departure from the EU. Until we leave the European Union, we must respect the laws and the obligations that membership requires of us. We also want to ensure certainty when it comes to public funding. The Chancellor has confirmed that structural and investment fund projects signed before the autumn statement and research and innovation projects financed by the
European Commission by money granted before we leave the EU will be underwritten by the Treasury after we leave. Agriculture is a vital part of the economy and the Government will match the current level of annual payments that the sector receives through the direct payments scheme until 2020, again providing certainty.

The Prime Minister has been clear that she is determined to protect the status of EU nationals already living in the UK. The only circumstances in which that would not be possible would be if the rights of British citizens in EU member states were not protected in return, something that I frankly find very hard to imagine.

I am confident that together we will be able to deliver on what the country asked us to do through the referendum. I am greatly encouraged by the national mood. Most of those I have met who wanted to remain have accepted the result and now want to make a success of the course Britain has chosen. Indeed, organisations and individuals I have met already who had backed the remain campaign now want to be engaged in the process of exit and in identifying the positive changes that will flow from it as well as the challenges. I want us all to come together as one nation to get the best deal for Britain.

In conclusion, we are confident of negotiating a new position that will mean this country flourishing outside the European Union while keeping EU members as friends, allies and trading partners. We leave the European Union but we will not—[Interruption.]

Mr Speaker: Order. The hon. Member for Perth and North Perthshire (Pete Wishart) is an aspiring statesman. His aspiration may be a little way from fulfilment. I want to hear the Secretary of State’s peroration.

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When there is no evidence of sound planning by the Government, no detail on the deal they want to strike, no strategy for achieving that deal or the reasons for pushing it through, Parliament must have more of a say. We must have more than simply a say: we must have a vote.

Mr Davis: I thank the hon. Lady for her welcome. As I suspect is very common when people enter the Cabinet, I have received a very large number of congratulatory emails and telegrams. The best one was the shortest. It said, “Many congratulations, I now believe in the resurrection.” Let me deal with the measures she has raised.

The hon. Lady and the Labour party accuse us of rank incompetence—the Labour party! The Prime Minister, on her trip to China, described her approach to complex problems—this is certainly a complex problem. Her approach is to collect the data, analyse it, make a judgment, make a decision and implement it. The Labour party clearly does it the other way around. The Americans have a phrase for the way the Labour party approaches these things—not looking at the problem, not looking at the issue, not looking at the data. They call it “load, fire, aim”. That may be very appropriate for the circular firing squad that is the Labour party, but it is not appropriate to running things in the national interest.

The hon. Lady mentioned the points-based immigration system. What the Prime Minister said in China was very clear. She wants a results-based immigration system that delivers an outcome the British people voted for. That is what she will be delivering at the end of this.

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Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I welcome my right hon. Friend to his new position and congratulate him on it. I want to ask him, “Was that it?” The Secretary of State has had all summer, and it has to be said that it is a mark of an irresponsible Government, just as it was a mark of an irresponsible leave campaign, that we know nothing more about the phrase “Brexit means Brexit.” That creates huge levels of uncertainty for our universities and our research institutions, which need some certainty beyond 2020; for food and drink producers; and for EU nationals who have made this country their home and deserve much better. What reassurances can the Secretary of State give them, because he has given them precious little from his statement today?

The actions of this Government stand in stark contrast to those of the Scottish Government, who have reached out to EU nationals and set out a clear action, including setting up an expert group; who have provided £100 million—worth of economic stimulus, with more to come tomorrow and a programme for government. The Secretary of State was responsible for a leave campaign that had no plans—zero, zilch. That is in stark contrast to the 670-page White Paper that the Scottish Government produced ahead of the independence referendum. Does the right hon. Gentleman regret not having any more plans, especially now that the Prime Minister is slating down some of the leave campaign’s ideas and the Foreign Secretary is referring to access to the single market? Does the Secretary of State regret that blank piece of paper?

Mr Davis: I am tempted to say “Is that it?” too. The simple truth is this. The hon. Gentleman talks about a 670-page White Paper for the Scottish independence referendum, which I remind him they lost—and they would still lose today. After the Brexit referendum, what did we see? Do the Scottish people want another referendum? No, they do not. Would they vote to leave? No, they would not. That is all I need to say to the hon. Gentleman.

Mr Kenneth Clarke (Rushcliffe) (Con): I understand my right hon. Friend’s difficulties, and I congratulate him on not rushing anything. I encourage him and his colleagues to take as long as they possibly can to work out a policy. I look forward to hearing from him again when the Government have found something they can agree on that indicates what Brexit actually means.

Meanwhile, on a more positive note, I do not recall my
right hon. Friend taking part in any of the ill-informed and sometimes prejudiced attacks on immigrants and foreigners living and working in this country. Does he agree with me that, although some anti-foreigner rhetoric might have added a few votes that might have tilted the leave campaign into gaining a majority, the majority of the public are not hostile to other Europeans living and working in this country, so long as they respect our laws and our customs? Will he confirm that the Government will not needlessly sacrifice our access to a free market of 500 million people or our trade and economic co-operation with our European allies just to demonstrate that we are turning away from this country foreigners whom employers wish to employ to fill skills shortages or as a result of the unwillingness of English people to fill vacancies in various parts of our economy?

Mr Davis: My right hon. and learned Friend and I have debated this matter probably for nearly 30 years. Let me say this on the issue of anti-foreigner rhetoric. I agree entirely that the sort of unpleasantness that has sometimes arisen is to be wholly condemned—I repeat, wholly condemned. I certainly join my right hon. and learned Friend in condemning that rhetoric.

However, my right hon. and learned Friend then moved on to the issue of immigration. I do not think that when people are concerned about immigration, it is necessarily xenophobia. Economic, social and other pressures lead to people’s concern about the issue. Nor do I think that it is a simple trade-off. I do not think that an immigration control system that suits our country is necessarily one that will preclude a good trade relationship with the European Union. Trade relationships are beneficial to both sides, and we should not need to make a policy purchase in order to secure such a relationship. So, while I agree with my right hon. and learned Friend’s original proposal, I do not agree with his conclusion.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): As the Secretary of State will know, the business of his Department will be the most important issue that has faced our country for decades, and it is hugely important that we secure the best deal for Britain outside the European Union. No one expects him to have worked out all the answers yet, but we do expect him to be able to set out the outline of some kind of plan, and today we have heard nothing of that sort.

Let me ask the Secretary of State just one specific question. Has his Department even considered what the home affairs issues will be in the negotiations, and has he decided whether or not Britain will be staying in Europol? That decision will have to be made this year, not in many years to come. Has he decided whether we will be in Europol, yes or no?

Mr Davis: The right hon. Lady was an eminent member of the Cabinet, and, indeed, an eminent Front-Bench Member and shadow Home Secretary. I therefore take her question extremely seriously, as she does this issue. The simple answer is that the whole justice and home affairs stream is being assessed even as we speak, and the aim is to preserve the relationship with the European Union on security matters as best we can.

The right hon. Lady will recall that last year a decision was made which laid aside about 100 measures that we did not want to be part of, but kept some others, including the European arrest warrant and one or two others—controversially, as she will remember. So yes, of course we are across that, and of course we are aiming to maintain it. That is the answer.

Mr Andrew Mitchell (Sutton Coldfield) (Con): I warmly congratulate my right hon. Friend on his return to the Government Front Bench after an unfortunate hiatus of some 20 years. Is it not absolutely clear that he has both the skills and the experience that are required for the extremely difficult job that lies ahead? Surely the whole House will wish him every success as he charts those extremely difficult shoals.

Hon. Members: Answer!

Mr Davis: I must admit that I did not hear the question—and, flattering as it was, I do not intend to pay a fee for it either.

Mr Ben Bradshaw (Exeter) (Lab): We learned more of substance from the Prime Minister’s briefing of journalists in China than we heard in those 15 minutes of talk about stakeholders and round tables. Will the Secretary of State please confirm that the points-based immigration system, the cut in VAT on fuel, and the £350 million extra every week for the NHS—the three main promises of the leave campaign—now lie in tatters?

Mr Davis: The task of my Department is to deliver on three things. The British people, in the referendum, voted for the return to Parliament of control of our laws, control of our money, and control of our borders, and that is what my Department will bring about. What happens then is down to the Government and Parliament.

Let me deal with just one issue that the right hon. Gentleman raised: the points-based immigration system. What the Prime Minister said in China was very clear. Her concern was that a points-based system was too open-ended and did not actually control the number of people coming to the United Kingdom, and she therefore wanted something that sounded as if it would be more rigorous, not less.

John Redwood (Wokingham) (Con): As 47 countries have free trade agreements with the EU without accepting any EU control over migration in their countries or making any contributions to the EU, will my right hon. Friend confirm that taking back control cannot be negotiated with the French, the Germans and the others: we take back control of those matters and we negotiate, if they wish, over trade? Will he further confirm that the French and German Governments have indicated not at all that they wish to impose any tariffs on their very profitable trade with us, because they do not believe in self-harm?

Mr Davis: That last point goes to the heart of the question. Free trade is not something that is a gift from one country to another; it is something that is mutually beneficial. I fully expect that when we come to do our negotiations with the EU we will see it recognising that France, Germany—in fact, every single country—has a manufacturing surplus delivered to us, whereas we, typically, have a service surplus the other way. I expect that we will both gain from the free trade agreement that comes out of that negotiation.
Mr Nigel Dodds (Belfast North) (DUP): I welcome the Secretary of State to his place. I also welcome today’s statement and the visit he made recently to Northern Ireland, when he met the First Minister, the Deputy First Minister and others. Can he reassure us that, as we seek to move forward and make a success of Brexit for the whole of the United Kingdom, which is what the British people in their entirety have voted for—all parts of it—[Interruption.] As a result of this national vote—all members of the United Kingdom had an equal vote and voted overwhelmingly to come out of the European Union—can the Secretary of State make it clear that he will work closely with Ministers in Northern Ireland? Will he also make it clear that that work will not just be at ministerial level, but that officials in his Department will work very closely with officials in the Executive Office, the Department of Finance and Personnel and the Department for the Economy and others, to ensure we make a success of this project?

Mr Davis: I can tell the right hon. Gentleman that that is already happening. Officials in my Department and other Whitehall Departments are working with officials in the Northern Ireland Office to proceed on what will actually be one of the more difficult elements of the negotiation, because we do have to deal with the issue of the border, keeping it open and not returning to the recent past. I also agree in some depth with his statement that this is a national decision—that the whole British nation, the whole United Kingdom nation, has decided on this. Whilst we will seek—I look at the Scottish nationalist Benches when I am saying this—to meet and protect the interests of every part of the UK, that does not mean any part of it will have a veto on this, least of all for partisan reasons.

Crispin Blunt (Reigate) (Con): I welcome my right hon. Friend to his responsibilities and further welcome his agreement to appear before the Foreign Affairs Committee next week in order to provide further follow-up to this statement. Does he share my assessment that there is a key foreign affairs, security and defence interest for our 27 EU partners in finding continuing engagement with the UK after Brexit?

Mr Davis: My hon. Friend the Chairman of the Foreign Affairs Select Committee is right, and this is fundamental to one of the points I was making in my earlier remarks. There are very strong security, foreign affairs, foreign policy and environmental relationships, and a whole series of other relationships, that will continue to apply long after we have left the EU, to the benefit of both the EU and the UK.

Kate Hoey (Vauxhall) (Lab): I warmly welcome the Secretary of State to his new position and I know that millions of Labour voters and supporters across the country who voted to leave will be pleased that there is someone in this position who genuinely wants to get out of the EU. Will he confirm that there is a real difference between wanting to be members of the single market and wanting to have access to the single market, and that some of the remainers should learn that?

Mr Davis: The hon. Lady is right, and of course access to the single market is not really up for grabs; it is there for everybody and, frankly, there are many countries outside the EU that do a better job of exporting to the single market than we do, even without a trade arrangement. So of course we want to have access to the single market and we do not need to be a member of it to do that. Indeed being a member of it is what has caused some of the problems of sovereignty that drove this referendum.

Sir William Cash (Stone) (Con): Congratulations to my right hon. Friend on his appointment. Will he confirm that the vote to leave requires the repeal of the European Communities Act 1972, and will the Government bring in a Bill to achieve that as soon as is reasonably possible?

Mr Davis: The aspects of the European Communities Act 1972 that are required to be repealed and the aspects of the acquis communautaire that need to be carried into British law are an important joint set of issues that have to be decided. Once we have got to the point of deciding what we need to do in that regard, we will come back to the House at the first possible opportunity.

Chris Leslie (Nottingham East) (Lab/Co-op): But do we not need more specifics from the Secretary of State? For example, do we not need to know that we can build new relationships without having to wait until the divorce proceedings have finished? Jean-Claude Juncker said this weekend that he did not like the idea of our negotiating trade arrangements, but would it not leave us in limbo if we could not do so? It is essential that we have the ability to get on with building these new relationships now. That means dealing with the Brexit issue while at the same time, in parallel, ensuring that we can forge those new relationships. Those two things have to happen together, not one after the other. How is the Secretary of State going to achieve that?

Mr Davis: The hon. Gentleman is absolutely right. Indeed, the suggestion from the Commission that it is somehow illegal for my right hon. Friend the Secretary of State for International Trade to go and talk to Ministers in India, Canada, Australia or wherever he is going next is somewhat ridiculous. The only thing the Commission can say in legal terms is that we cannot bring an agreement into force until after we leave, and that is perfectly fair and proper. That is what the laws of the European Union are. The hon. Gentleman can take it as read that we are looking to ensure the fastest possible transition to the opportunities I mentioned after Brexit concludes. Similarly, on the other front, there have been suggestions that we cannot talk about the trade arrangement with Europe until the article 50 process has concluded and we are outside the European Union. That, too, is nonsense. I have looked carefully at several different versions of article 50 in different languages, and they all refer to the parallel negotiations that will need to take place, so the hon. Gentleman can take it as read on both those counts that he is right and that we are pursuing the matter.

Mr Owen Paterson (North Shropshire) (Con): I congratulate my right hon. Friend on his appointment and wish him well in his historic task. Many industries and everyday activities depend on European regulation, but there is some uncertainty being stirred up about the problems of sovereignty that drove this referendum. Further to his reply to the Chair of the European Scrutiny Committee, my hon. Friend the Member for Stone (Sir William Cash), can he confirm
that the Government are going about establishing the entire corpus of European law and all the detail of the acquis communautaire, following the path set by countries such as India and Australia when they took on full independence and converted the whole of British law into their national law and then, in subsequent years, repealed, filleted or improved upon it?

Mr Davis: My right hon. Friend makes a good point. This is one of the reasons that the process is taking some time. The legal interactions of certain elements of the acquis communautaire and British law are not straightforward. My starting position was that we would put them all into the law and take it from there, but it does not quite work like that. That is why this is taking a little while, but my right hon. Friend can be sure that my legal section and the Whitehall lawyers are on that issue as we speak and will come up with conclusions as quickly as they can. When they do so, I will tell the House what their conclusion is.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Scottish fishing communities were due to receive more than £100 million of European maritime and fisheries fund support between now and 2023. The Secretary of State has committed to supporting our agricultural communities by guaranteeing that CAP funding will be matched until 2020. Will he make a similar commitment today to our fishing communities to honour the maritime and fisheries funding that has been allocated in the current round?

Mr Davis: Sadly, I did not make that commitment. The Chancellor made the commitment and—[Interruption.] With great respect, it is not for me to make commitments on behalf of the Treasury. We will place in the Library a copy of the letter in which the Chancellor laid out the underpinning of the CAP, structural and science funds and so on. He made it clear that that was effectively his decision until the autumn statement. I will report to him what the hon. Lady said so that he is aware of her concerns before that statement.

Mr Peter Lilley (Hitchin and Harpenden) (Con): A legitimate concern of many remain voters, and one which many of us on the leave side can well understand, is that an unduly long period of uncertainty while negotiations are ongoing would be damaging to the British economy. Will my right hon. Friend therefore confirm that it will be his priority to complete the process as soon as possible, that the two-year limit set down in article 50 is an arbitrary maximum, not a necessary minimum, and that most countries that have obtained independence or left a political union—India, Canada and Australia or the Czech Republic and Slovakia—have done so in far less than two years?

Mr Davis: I defer to my right hon. Friend’s knowledge of the history of those other countries. The Prime Minister has said that we will not trigger article 50 until the new year. The reason is not unnecessary delay or the wasting of time; it is to ensure that we get all the decisions absolutely right. My right hon. Friend has heard over the past few minutes about some of the complexities involved in the acquis communautaire alone. We will trigger article 50 as soon as is reasonably possible. I would rather be a month late and get it right than be a month early and get it wrong. We will do it as expeditiously as possible. The Prime Minister has said clearly that she thinks the British people expect us to get on with it.

Ms Angela Eagle (Wallasey) (Lab): Unravelling 40 years of close co-operation within the European Union with now 27 nation states is, as the right hon. Gentleman is learning if he did not know before, a complex issue. Does he intend to give the House some ongoing view of how that is going? Will he provide some assurance on issues such as workers’ rights? Will we keep the principle of equal pay for work of equal value? Will the EU laws that guarantee our pension payments as though they are deferred wages still be recognised by this House?

The right hon. Gentleman talks about the sovereignty of Parliament. Will he give this Parliament more of a say on the deal that is done? Do his Government intend to give the British people a say on the deal when it is finally done?

Mr Davis: I will start by saying that we got our instructions from the British people to do this in the first place, but the hon. Lady raises some serious issues. My views on the importance of parliamentary accountability have not changed just because I have moved forward four Benches. I still believe that we should be as open with Parliament as possible while in negotiations. For example, I am appearing before the Foreign Affairs Committee in a week or two’s time, which is an undertaking that I made some time ago, and I am doing the same with the relevant House of Lords Committee.

As for employment rights, a large component of the people who voted to leave the European Union could be characterised as the British industrial working class. It is no part of my brief to undermine their rights—full stop.

Nicky Morgan (Loughborough) (Con): I welcome the Secretary of State to his new role. He is absolutely right that we must respect the result of 23 June and that people want further controls on immigration and do not have confidence in our previous immigration policy. I do not know whether it was deliberate, but two words seemed to be missing from his statement: single market. The heart of the matter, about which we will be arguing over the coming months and years, is the balance between access to the single market and the freedom of people to come to this country. When will the Government set out their view on that fundamental point?

Mr Davis: I am afraid that I start from a disagreement with my right hon. Friend; the simple truth is that, as I said earlier, the negotiation over free trade with the European Union will be to the benefit of both sides—it will be beneficial to us and to the European countries. The question of immigration and the control of immigration is a very high priority for this Government, as the Prime Minister has made plain on many occasions. I do not agree with the fundamental tenet of my right hon. Friend’s question; I do not think that that is a natural, necessary trade-off. The negotiation has to be very much about what is to the mutual benefit of this country and the European Union—full stop.
Hywel Williams (Arfon) (PC): Forty-five Japanese companies operate in Wales, supporting some 6,000 jobs, mainly in tech and manufacturing. Manufacturing alone is worth £9 billion to the Welsh economy. What assurances can the Secretary of State give those workers and those companies that Wales-Japan relations and the Welsh economy will not be harmed by Brexit?

Mr Davis: It is the same assurance I give to all manufacturing operations in the United Kingdom: the aim of this negotiation is to deliver the best trade opportunity that we can. That includes getting the best arrangement with the European market and exploiting the best arrangements with other, non-European markets. I will make a point to the hon. Gentleman on manufacturing alone: the quantity of exports we make to the European Union is exceeded by the exports we make to those countries with which we have no free trade agreement at all. Once we get a free trade agreement, or many free trade agreements, as the Secretary of State for International Trade will do—I shall not steal his thunder—we will not see downsides; we will see opportunities.

Several hon. Members rose—

Mr Speaker: A most exotic delicacy in the House, Mr Michael Gove.

Michael Gove (Surrey Heath) (Con): Thank you very much, Mr Speaker. I congratulate my right hon. Friend on his long overdue return to ministerial office. In the seven short weeks he has been in office, alongside our new Foreign Secretary and our new Secretary of State for International Trade, we have seen a record increase in service industries growth, a record increase in manufacturing industry growth and a 3.3% increase in motor car sales. We have also seen the Speaker of the US Congress, the Prime Minister of Australia and the Prime Minister of New Zealand all pressing for free trade deals with this country, while the Deputy Chancellor of Germany has acknowledged that the EU-US trade deal is dead in the water. Does that not confirm that the 17 million people in this country who voted to leave the European Union know a darned sight more about economics than the members of the International Monetary Fund, the OECD and the Institute for Fiscal Studies, and all those other soi-disant “experts” who have oeufl on their face?

Mr Davis: My right hon. Friend is not known for understating his case, but I would point out that it was 17.5 million people who made that judgment. He is right: much of the gloom and doom and fearmongering that went on before the referendum has been proven to be wrong. That said, I would not be quite so unalloyed in my optimism as he is, because of course we are in a world where there are a lot of economic pressures. That is why the meetings in China are taking place now. He makes his point brilliantly, as always, and I agree with its main thrust, but let us not get too optimistic before we close the deal.

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary of State said that he wants to have the supremacy of this Parliament. If we are a sovereign, supreme Parliament, why is this Parliament not going to have the decision as to when we trigger article 50?

Mr Davis: We did—it was called the referendum Act, which was passed by a ratio of 6:1 in this Parliament.

Mr Dominic Grieve (Beaconsfield) (Con): First, may I congratulate my right hon. Friend on his complete and abysmal failure over a 10-year period to avoid high office? It is a great pleasure to see him in his place. May I also reassure him that as somebody who supported the remain campaign, I see it as my absolute duty to support the Government in giving effect to the public desire to leave the European Union, including supporting the Government in their implementation of article 50? He rightly pointed out that the matter is legally extremely complex. It also concerns, as he rightly said, the acquis communautaire, which is about the conferring of private legal rights on individuals in this country which have the force of statute. I have to say to my right hon. Friend that the idea that those should simply be revoked by our exit without parliamentary approval troubles me very much and appears to me to be an abdication of the responsibility of this House. I accept that in many cases they have been created by Henry VIII clauses, which was the unsatisfactory nature of the EU, but what we will now do if we cannot scrutinise them before article 50 is invoked is allow the Government to dispose of private property rights, including intellectual property as an example, by decree. That troubles me very much, and I ask him to use his ingenuity to find ways of resolving this particular dilemma.

Mr Davis: It is a pleasure to hear from my right hon. and learned Friend and long-term friend, but he is over-interpreting what I have said, I think. Article 50 is the beginning of this process; it is not the end. I know there will be many opportunities for this House to scrutinise what we are about to do after article 50 takes place, but it would be somewhat futile to do so before we start the negotiations, as some of those negotiations will have a direct impact on the very rights that he is talking about. He can take it from me that I did not spend all those years on the Back Benches defending those rights to give them up now.

Hilary Benn (Leeds Central) (Lab): Does the Secretary of State agree that it would be a good idea to try to find some way of maintaining a form of co-operation on foreign policy after we leave the European Union, because even after exit we will still very much be part of Europe, and there are a great number of challenges around the world on which we will have to continue to work with our European neighbours?

Mr Davis: The right hon. Gentleman is absolutely right. The tradition of this country in maintaining strong effective alliances generally for good in the world at large is one that I fully expect will continue. Indeed, one aspect of the picture of the future that I see is that Britain will continue to be a good global citizen, as it always has been. Co-operation on foreign policy is very much a part of that.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): May I add my congratulations to my right hon. Friend; it is good to see him back in his natural habitat at the Dispatch Box. Businesses in the UK are concerned not just about access to the single market, but about other matters. A unitary patent and the proposed new Unified
Patent Court has been eagerly anticipated by businesses, which currently have to file for separate patents in separate countries at great cost. The UK was due to ratify that later this year alongside Germany and one other country. Will my right hon. Friend give businesses the undertaking that the UK will ratify this agreement before the end of this year and that we will continue to play a full part so that British businesses benefit from being able to be part of a larger unified patent authority?

Mr Davis: For as long as we are a member of the European Union, which by the sounds of it will be at least two years, we will meet all our obligations and we will take our responsibilities extremely seriously, including the one that my right hon. Friend has outlined.

Mr Speaker: May I gently ask the Secretary of State to face the House? Sometimes his answers are not fully heard. They are heard by the person at whom he is looking, but not by the House.

Mr Davis: All I can do is plead inexperience.

Mr Speaker: Yes! I call Mr Frank Field.

Frank Field (Birkenhead) (Lab): May I congratulate the Secretary of State on his return to the Front Bench and, on behalf of all those Labour constituencies that voted to leave, thank him for his statement and for making the control of our borders the cornerstone of any renegotiation? May I take him back to the question from the right hon. Member for Wokingham (John Redwood)? Given Europe’s huge trade surplus with us, how does the Secretary of State think that power position will play out when we are talking about membership of or access to the single market?

Mr Davis: It is early days to forecast the negotiation, but the right hon. Gentleman is right—there is a large trade surplus. The one that was cited time and again during the referendum campaign, which I do not want to revisit, was the surplus in cars from Germany alone. My experience of the European Union is that the Commission makes a great deal of public statements, but at the end of the day the national interest of individual countries decides the outcome.

Mr Andrew Tyrie (Chichester) (Con): Can the Secretary of State confirm that as the UK will want to be able to negotiate new trade deals with the rest of the world and has created a Department for that very purpose, it will not be able to remain a member of the customs union?

Mr Davis: I am pleased to be asked a question by my right hon. Friend. I spent the weekend reading his draft for Open Europe. I did not agree with everything in it, but, as always with him, what he has to say was insightful and wise. I recommend that people read pages 10, 11 and 12 if they do not have a lot of time.

My right hon. Friend has a good point on the customs union. Membership of a customs union puts restrictions of varying degrees on what countries can do outside. It would put restrictions on what my right hon. Friend the Secretary of State for International Trade is doing, so we have to look at the matter carefully. There is a range of different types of customs union, but that is exactly the sort of decision that we will resolve before we trigger article 50.

Ms Margaret Ritchie (South Down) (SDLP): Last week the Secretary of State visited Northern Ireland, where he met political and business leaders, and this week he will visit Dublin. Although it is true that the desire for a continued open border in Ireland is shared by many, does he recognise that maintaining an open border in Ireland will require agreements between Dublin, London, Belfast and Brussels? What steps has he taken to ensure that such an agreement will be possible?

Mr Davis: It will primarily require an agreement between London, Belfast and Dublin. Brussels will have a say in some respects, but it is down to us. When I was in Northern Ireland last week, everybody was absolutely clear—all sides, with no political divide and no division of any sort—on the need for an open border and the need to avoid a return to the days of the hard border. There are other open borders, which we will be studying. One of them is Norway/Sweden, but it is not identical. Of course, there was an open border before either of us was a member of the European Union, and we had the common travel area before we were members of the European Union, so there are ways to deal with the issue. Some of them may be technological and some may be political. We and, I think, the Irish Government and all the political parties in Belfast are committed to making sure that it happens.

Anna Soubry (Bromsgrove) (Con): I, too, welcome my right hon. Friend to his place on the Front Bench, and I, too, accept the verdict of the British people—some 52% of whom voted for us to leave the European Union. Yesterday the Japanese Government produced a 15-page document, very unusually, being very bold about their assessment of the grave dangers, as they see it, of Brexit. They laid it out in some detail. Of course, there are many who would argue that if we retain our membership of the single market, we can allay their fears, especially in relation to the financial services sector and the automotive sector. With great respect to my right hon. Friend, I think we need some clarity now about where we see our membership of the single market. Is he saying that this Government are prepared to abandon that membership of the single market?

Mr Davis: I am saying that this Government are looking at every option, but the simple truth is that if a requirement of membership is giving up control of our borders, then I think that makes that very improbable. What we are looking for, in the words of the Prime Minister, is a “unique solution” that matches the fact that we are one of the largest trading countries in the world, and also a very large market for very large parts of very important industries in the European Union. I find it very difficult to believe that over the course of the next couple of years or so we will not be able to find an outcome that satisfies not just our own industries but those sponsored by Japan as well.
Mr Davis: I was, virtually verbatim, quoting the Prime Minister, who said in terms that free movement as it is now cannot go on.

Mr Mark Harper (Forest of Dean) (Con): My constituency voted more decisively than the country for Brexit, so my constituents will welcome the Prime Minister’s and the Secretary of State’s clear view that we are going to leave and do so decisively. However, businesses in my constituency will also want to get the right result for their exports, so they will welcome the thoughtful and careful approach set out by the Secretary of State. I urge him to continue that careful approach to make sure that we get this right, not rush to make decisions, as Labour Front Benchers want us to, when we are in danger of then not getting the right deal for my constituents and for the country as a whole.

Mr Davis: I thank my right hon. Friend for his question. I promise him that I will take no lessons in organisation from the Labour party.

Liz Kendall (Leicester West) (Lab): May I press the Secretary of State on the issue raised by the right hon. Member for Broxtowe (Anna Soubry)? Japanese companies employ 140,000 people in the UK, and the Japanese Government say that these companies need to maintain tariff-free trade, consistency of regulation between the UK and the EU, passporting rights for financial services, and continued access to EU workers. In order to minimise uncertainty for these vital companies and their employees, is the Secretary of State going to prioritise any of those criteria? If not, which ones will he pursue?

Mr Davis: I have already made this pretty plain. All the issues that the hon. Lady names, such as passporting and access to markets, are being looked at and evaluated in terms of where the real risks are. Let me take passporting as an example. I have consulted a number of people in the City on passporting, and I get very different views. The City is not a single business but a sort of ecosystem of businesses, and one gets different views from each of them. Some of them have different solutions too, such as “brass plate” arrangements and so on. We have to assess all that before we decide exactly how we organise the strategy. It is pretty straightforward. As my right hon. Friend the Member for Forest of Dean (Mr Harper) pointed out, it is straightforward, but it is complex to calculate and complex to work out, and we will do that.

Alistair Burt (North East Bedfordshire) (Con): I, too, congratulate my right hon. Friend on securing his position. I appreciate what he said about taking time to get this right and building a national consensus, because it is right, regardless of how we all voted, that we must make a success of it. He is sufficiently confident that there is clear delineation between the interests of his Department, the Foreign and Commonwealth Office, and the Department for International Trade to make sure that there is no conflict of interest between them so that due credit can be given for the success of negotiations as they go on? In terms of parliamentary scrutiny, does he envisage himself coming before a Select Committee based on his own Department alone or some other arrangement, and if so, when?

Mr Davis: On that last point, when I was still on the Back Benches it would have been very dangerous for any Secretary of State to try to tell Back Benchers how to organise their Select Committees. I would certainly not have accepted it then and I will not fall into that trap now. On the question of relationships with the Foreign Office and the Department for International Trade, we have very clear purposes. Mine is effectively one of support for the Prime Minister, who is the leader of this exercise. The Department for International Trade has the task of exploiting the enormous opportunity this creates and the Foreign Office, as my right hon. Friend will well know from his own experience, has plenty on its plate too but will also act in a sympathetic and supportive way to establish all the relationships and build all the alliances that will deliver a positive outcome at the end of these two years.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I, too, congratulate the Secretary of State on his appointment. In March, the Secretary of State for Scotland stated:

“Our access to the single market of 500 million people reduces costs for Scottish businesses by removing barriers to an export market, currently worth around £1.6 billion.”

What evaluation has the Secretary of State made of the impact of exiting the UK on the Scottish economy?

Mr Davis: It is a pleasure to hear from the hon. Lady, my old ally on other subjects. We have not yet done that calculation, but we will. She crystallises rather well the task we have to do in the next few months.—[Interruption.] The hon. Member for Islington South and Finsbury (Emily Thornberry) is now trying to give me organisational advice: I suggest she focus on her own party first and worry about us next. The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) is absolutely right. That impact is exactly the sort of thing we have to assess and we will assess it, and will do it carefully. I intend to deliver on our undertaking that we will ensure that this outcome serves all parts of the United Kingdom.

Mr Steve Baker (Wycombe) (Con): I was very grateful that my right hon. Friend appeared to accept the principle that when we repeal the European Communities Act we should transpose EU law into UK law. Given that EU law currently applies in the UK, does he accept that any complexity that might be apparent today would apply whether or not we repealed that Act, since that body of law applies? Will he therefore be very careful that paid advisers—perhaps paid by the day—do not introduce complexity in order to extend their fees?

Mr Davis: I know that there has been a great revolution in employment law, but I do not think that any of my civil servants are paid by the day. I take my hon. Friend’s point, and we will make sure that we consult widely and do not rely on a single source. This is part of the issue: on so many of the legal and technical issues we deal with, we get different sets of advice from
different components of the same industry. The same is true here. That is what we will do; we will resolve it properly before we act.

Emma Reynolds (Wolverhampton North East) (Lab): I campaigned for the UK to remain in the EU, but I accept the outcome of the referendum and the views of the majority of my constituents. The Secretary of State has always, from the Back Benches and the Front Bench, defended parliamentary sovereignty, and that is why I am struggling to understand why he is seeking to deny Members of this House an opportunity to feed in the views of their constituents on the Government's negotiating strategy before the triggering of article 50. That would not be to stop the triggering of article 50, which I will vote for, but to help shape that negotiating strategy.

Mr Davis: I think that the hon. Lady is misinterpreting what has been said. What we are saying is that there is no point in having a vote in the House on article 50, because all it can do is stop the instruction that the British people have already given us. That is not to say that we will not have debate after debate or that I will not appear before Select Committee after Select Committee. Indeed, I am of course accessible to everybody in this House, from all parties. I do not see that as a barrier to her bringing forward the concerns of her constituents. Indeed, I strongly encourage her to do so as soon as possible.

Mr Dominic Raab (Esher and Walton) (Con): May I join the chorus welcoming the Secretary of State to his post, and also welcome the Prime Minister's statement about Britain becoming a global leader on free trade? May I urge him to follow the example of Japan and, indeed, every other non-European member of the G20 in engaging in free trade deals and negotiations, which is never to give up national control over immigration or, indeed, pay a fee?

Mr Davis: My hon. Friend, who is an old friend of mine, is exactly right. The most successful countries in the world in establishing free trade deals—this might surprise Members—are places such as Chile and South Korea. They never, ever give up anything other than access to their own market in exchange for a free trade deal. Not one of them gives up money or immigration rights.

Mr Kevan Jones (North Durham) (Lab): I agree with the right hon. Gentleman that the British people made a decision on 23 June and we should respect it. I will certainly not be arguing for another referendum. We now need to make the best of the negotiations. He will, however, know that there is uncertainty, certainly in the north-east of England, about the future of EU structural funds. Can he give a guarantee that, once we come out of the EU, those funds will be replaced by the Government?

Mr Davis: I cannot speak for a future Government—as the hon. Gentleman well knows, that will be beyond the next election—but I promised the hon. Member for Banff and Buchan (Dr Whiteford) that we will put in the Library the Chancellor's letter underwriting many of the structural funds, research grants and common agricultural policy funds that are already in place. It would be better if he looked at that carefully, rather than rely on my rather inaccurate estimate.

Mr Kevan Jones: That would be better if he looked carefully, rather than rely on my rather inaccurate estimate.

Mr Davis: I welcome my right hon. Friend to his new post, although its precise title is not the stuff of my dreams. Nevertheless, this is a new dawn and a new day and he has a job to do. What has he done so far about the university sector, which is struggling with research and development issues and considering issues relating to the free movement of people and to the single market?

Mr Davis: The Chancellor made some arrangements that helped underpin the current circumstances. The Student Loans Company has made some arrangements and I saw Universities UK myself the other day to find out what other concerns it has. We are pursuing those concerns, so I do not think that we can be accused of not paying proper attention to that sector. We are very conscious that it is a sensitive sector in these terms.

As for the title of my Department, I do not know whether my hon. Friend was the parliamentary wag who called it“Department X”, but thank you very much.

Mr Davis: The movements of academics—researchers in particular, I guess—in and out of British universities antedates entry to the European Union by a very long margin. Britain is a science superpower standing on our own two feet, and that will continue after we leave the EU.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I congratulate my right hon. Friend on his appointment. May I remind him that the remain campaign was characterised by a campaign to spread fear and uncertainty about the future of this country? And they are still at it—oh yes, they are still at it—and they are trying to make this process as complicated and as protracted as possible in order to try to frustrate it. May I warn my right hon. Friend that it would be a mistake to try to agree everything about our new relationship with the European Union by the time we leave? Leaving the European Union is but a first step towards a new relationship with our European partners and the establishment of a new relationship with the rest of the world. What the business community, the country and, indeed, many in the European Union want is speed and certainty as quickly as possible.

Mr Davis: I hope that my hon. Friend was not accusing me of being a member of the remain group. One of the things that I noticed over the summer as I pored over the vast tomes of papers that come with this job was the tendency to blame everything on Brexit, ranging from bank lay-offs to the state of the Italian bond market, which have nothing to do with Brexit. My hon. Friend is right about that, but the simple truth is that we have to get this right. We will do it as expeditiously as possible. We will not delay one day more than is necessary to do the job that we have to do, but it is a complicated and extensive relationship that we have to untangle, and we will do so in good time.

Ms Karen Buck (Westminster North) (Lab): Two months ago, I asked the then Home Office Minister for urgent clarification on the status of the EU nationals
residents in Britain, including the 36,000 EU nationals resident in the London borough of Westminster. They are people who are going about their jobs and setting up businesses, and they need confirmation of their status. I was told that that was going to be a priority. What does the Secretary of State mean by priority?

Mr Davis: I will answer the question, but before I do, let me just say this. One of my concerns was that quite a lot of European Union citizens who are in Britain were being unnecessarily frightened by that argument. People should bear in mind that leave to remain is pretty much automatic, if someone has a clean criminal record, after five years, and that is the case for citizenship after six years. This process is not going to happen for two years, so if someone has been here for three years already, they are in a pretty safe place.

Having said that, the Prime Minister and I have both said in terms that we want to provide a generous guarantee to European Union citizens who are already in this country. I am confident that that can be delivered as long as we get proper, civilised treatment for British citizens abroad—who are, after all, our responsibility too.

Philip Davies (Shipley) (Con): I congratulate my right hon. Friend on his appointment. There could be nobody better for the job. In order to help the Opposition, who have badly lost touch with the working-class voters they once claimed to represent, will he agree that people voted to leave in the referendum because they wanted to control immigration, they wanted to stop handing over more than £10 billion a year net to the European Union and they wanted laws to be decided for this country in this House and not in Brussels? Will he therefore make a commitment that in his negotiation, the red lines for him will be full control over immigration, no contribution to the EU budget and that all laws will be decided in this House and none will be decided in the European Union?

Mr Davis: Somebody on the Front Bench muttered that I should be all right with that; I shall not say who. I demurred from. —[Interruption] I beg your pardon, Mr Speaker. I demurred from second-guessing our own negotiating position for six months in respect of the Labour party, and I am going to demur in this case. I will say this to my hon. Friend: the decision of the British people was, I think, first and foremost about control of our own destiny over and above anything else, and that is what we are seeking to return.

Mr Speaker: The Secretary of State is an immensely cerebral denizen of this House, and therefore there is no need for him at any time to imitate a turnstile. That is best avoided.

Liam Byrne (Birmingham, Hodge Hill) (Lab): I also welcome the Secretary of State to his place, but may I say to him that many of us wanted rather more detail than a few more reheated old soundbites? We know the old slogan “Brexit means Brexit”, and what we got this afternoon was an essay on how waffle means waffle. May I commend to him the approach of the Japanese Government, who have not simply spent the last seven weeks setting up a Brexit commission, but gone to the length of reporting its results? I hope that that diligence and speed will inspire his work in his Department over the months to come.

I want to press the Secretary of State on his answer to my hon. Friend the Member for Wallasey (Ms Eagle). He made a big play in his statement of his ambition, which I share, to restore parliamentary sovereignty. Will he therefore give this House a vote on the final package for Brexit, whenever and however it is finally negotiated?

Mr Davis: First, on this issue of detail, the right hon. Gentleman should know well that we are not simply looking at the interests of a limited number of companies and a limited number of banks, which is obviously the issue for the Japanese Government. We are looking at the interests of a whole economy, so it will take just a touch longer. Given his prior experience, he should know that, and he should know it well.

In terms of the position with respect to parliamentary approval, I suspect that a great deal of things will be brought before the House during the course of the negotiation, not just at the end. There will be plenty of opportunity both to speak about them and to vote on them.

Dr Julian Lewis (New Forest East) (Con): The very welcome appointment of my right hon. Friend, and indeed of the Foreign Secretary and the International Trade Secretary, certainly shows that the Prime Minister means what she says and that Brexit will really happen. However, some people on the losing side hope to sabotage the result of the referendum by delaying the process indefinitely. Is my right hon. Friend absolutely confident that, come what may, the UK will be outside the European Union well before the date of the next general election?

Mr Davis: I have said very plainly that we will not trigger article 50 before the end of this year, but we will trigger it as expeditiously as possible. The article 50 process takes two years. Extending it takes unanimity among every other member of the European Union, and my right hon. Friend can make his own judgment about both the probability of that and the arithmetic that it delivers.

Robert Flello (Stoke-on-Trent South) (Lab): The people of Stoke-on-Trent voted overwhelmingly to leave the European Union. I will therefore work tirelessly and do everything I can to make sure that we make the best efforts for and get the best deal from that exit. To help me and other Members on both sides of the House to do so, will the Secretary of State place in the House of Commons Library details of what is going on, what is being looked at and timetables, when they are available, rather than—dare I say it—the very generalised explanation he has given today? May I put in an early bid for him to meet north Staffordshire Members of Parliament from across the House to hear at first hand the issues of great concern to those who voted for exit, as well as to others, in our city and just outside it?

Mr Davis: Let me say two things to the hon. Gentleman. One of them he did not ask about, but I am going to tell him anyway: I take this very seriously. When I talked about the British industrial working class voting for Brexit, it was his sort of seat I had in mind, and I take
that very seriously. I take those votes, those people and their lives very seriously indeed, so I will see his group with the specific aim of identifying their concerns and worries about their futures and the prospects and opportunities that go with them.

To that end, I will also do what I can to make this process as open as possible. Let me say to the hon. Gentleman that this is a negotiation, and you do not play cards with all of them turned face up, as he will understand. Nevertheless, I will do what I can to make the process as open as possible. He said that what I have said today has been rather general, but I have been talking about the process. The Department has 180 people—it has quadrupled during August—and this is a fast-developing process. I mean it to be open, and I asked for a statement on the first day back so that the process can be open to everybody in the House. That is what we will do, and perhaps we will start with him.

Mr Peter Bone (Wellingborough) (Con): May I welcome the Secretary of State to his position, not least because he headed up Conservative GO? Unfortunately, one of the drawbacks of being made Secretary of State is that he can no longer wear the green tie. He has been as clear as he can—one of his great advantages is straight talking—but will he give us his best estimate now of the date on which he thinks we will actually leave? I am asking for his best estimate. We will not hold him to it—nobody is that worried—but will he just give us a date?

Mr Davis: That is a very good try. I am sure that, in his youth, my hon. Friend was a great seducer, but I am not going to be seduced. [Interruption.]

Mr Speaker: I do not think we want too much information on that front.

Helen Goodman (Bishop Auckland) (Lab): The right hon. Gentleman has always been a great defender of parliamentary democracy. Throughout the afternoon he has emphasised that the situation is complex and there are trade-offs to be made. That is why it is so incomprehensible to many of us that he does not want the House to have a vote before the path is chosen for how to trigger article 50. I wonder whether he is aware of the statement made by the former Foreign Secretary, Lord Hague, that it would be sensible “to endorse the start of negotiations” as “a defeat for the terms of exit, after lengthy negotiations...could leave the UK in...limbo”.

Mr Davis: I always listen very carefully to my fellow Yorkshireman. Let me say to the hon. Lady that the reason for the question of article 50 not being put to a vote of the Commons is simply this: I am a great supporter of parliamentary democracy because it is our manifestation of democracy in most circumstances; in this unique circumstance we have 17.5 million direct votes that tell us what to do. I cannot imagine what would happen to the House in the event that it overturned 17.5 million votes. I do not want to bring the House into disrepute by doing that. I want to have the House make decisions that are effective and bite into the process. That is what will happen.

Mr John Baron (Basildon and Billericay) (Con): In welcoming my right hon. Friend to his post, may I stress to him the importance of achieving fairness when it comes to our immigration policy? Does he agree that whatever criteria eventually guide it, we must have an immigration policy that no longer discriminates against the rest of the world outside the EU, as our present policy does?

Mr Davis: My hon. Friend makes a very good point. He has campaigned on this matter for a very long time. I know. All I can say is that he should bear in mind that I am not the Home Secretary. My job is to bring the power back so that the Home Secretary can exercise it. I am quite sure she will listen to what he has said and pay great attention to it.

Joanna Cherry (Edinburgh South West) (SNP): Today, the Japanese Government have provided the British people with more detail on what Brexit means than the UK Government. Most of us had hoped that we would hear more this afternoon, but I am sad to say that what we have heard was sadly lacking in detail and could best be described as the Ladybird guide to exiting the European Union. This is not a petty point; like many other hon. Members, this summer I have been speaking with major employers in my constituency—in particular, the financial sector in Edinburgh South West and the universities, Heriot-Watt and Napier, which are huge employers. They are all very keen to see a detailed explanation of what Brexit will mean for them, their institutions and their employees, my constituents. When is the Minister going to give this House that sort of detailed explanation?

Mr Davis: The first point to make is that we have been in the European Union for 40-odd years. The links are very complicated. The effects on much of our society are quite complex, and some of them are quite expensive to replicate. The hon. and learned Lady will get the information she is asking for, but stepwise, as it comes out and as we generate it, and it will be accurate and useful at that point in time. A few months is not going to be a problem for her constituents.

Mr Edward Vaizey (Wantage) (Con): May I also join in welcoming the three Secretaries of State to the Front Bench? They are like magnificent dreadnoughts at anchor, and we wait for them to set sail enforcing the pax Britannica. May I echo the comments about the importance of science, but also bring to the Secretary of State’s attention the creative industries, which grow three times faster than the UK economy as a whole? They rely to a certain extent on European regulations, such as the poetically named audiovisual media services directive and the general data protection regulation. May I gently nudge their interests near to the front of the queue as the Secretary of State takes us out of the European Union?

Mr Davis: I say to my right hon. Friend that he almost does not need to nudge them forward. I am very conscious of the issues relating to the film industry, in particular, which is a very mobile industry in both capital and personnel terms, and is therefore one that we are looking at very soon—indeed, it is the subject of one of the roundtables I was talking about earlier.
Stephen Timms (East Ham) (Lab): The Secretary of State is well placed to address the problems with EU rules faced by Tate and Lyle in my constituency, and I welcome him to his position. It sounds from his earlier answers as though he thinks that it is possible that, at the end of the two-year negotiation, Britain will continue to be a member of the European Union single market. Will he confirm whether he thinks that is possible, and in what circumstances he thinks that would be the outcome?

Mr Davis: What I said—and I apologise to the right hon. Gentleman if I misled him—is that I am seeking to get the best possible access. That does not necessarily mean being a member of the single market. As listed earlier, plenty of countries have that access without making the sorts of concessions that we have had to make as a member of the Union.

Mr Nigel Evans (Ribble Valley) (Con): It is good to see the three Brexiteer Cabinet Ministers sitting together in the Chamber, working for one nation, with one referendum and one clear decision, despite the fact that some people, including Tony Blair, who famously offered us a referendum and then took it away, have said that there is a chance that we might remain a member of the European Union. Will my right hon. Friend make it absolutely clear that we will be leaving the European Union in its entirety? When does he envisage us getting our hands on the Brexit dividend—the membership money—so that we can spend it on our priorities?

Mr Davis: The answer to the first question is yes; the answer to the second question is: “At some point, once we have left.”

Danny Kinahan (South Antrim) (UUP): I welcome the Secretary of State to his position and thank him for the fact that one of his early visits was to Northern Ireland. Will he ensure that he always talks to the official Opposition there? What I have been picking up from businesses throughout the summer is uncertainty, which he has talked about. It is absolutely key, particularly in Northern Ireland, that we do not slip into a recession. We are always on the edge of it. Will he keep that foremost in his mind?

Mr Davis: Very much so. One group I met in Northern Ireland was the Secretary of State for Northern Ireland’s new business advisory group, which talked about exactly that. Sadly, we were there on the day of the Caterpillar announcement, which was bad news—it was nothing to do with Brexit but with a problem with markets in the far east. We will have that clearly front and centre.

Nick Herbert (Arundel and South Downs) (Con): I congratulate my right hon. Friend on his resurrection line I cited earlier, and I would say a couple of things to him. I am tempted to use Ghandi’s comment about western civilisation. The single market in services would be a good idea, but it is somewhat patchy to say the least, and one major part of the big exercise we are doing is trying to establish exactly what the non-tariff barriers are and where they can and cannot be resolved. I take his point entirely on board. Services is the one area where we have a surplus with Europe, and we want to keep it.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The industrial working class of West Dunbartonshire voted overwhelmingly to remain within the European Union and to become part of a sovereign, independent Scotland. With that, I welcome the Secretary of State to his position.

The hon. Member for South Down (Ms Ritchie), who is no longer in her place, posed a very interesting question that requires further investigation on our relationship with Ireland. It is not just an economic relationship, but a social one and a familiar, reciprocal one across the length and breadth of this Chamber and the Dáil Éireann. After the Secretary of State meets the Foreign Minister of Ireland this week in Dublin, and possibly the Taoiseach, will he return to the Floor of the House and make a statement on their discussions in relation not only to the common travel area, but to the Ireland Act 1949, so that those relationships can continue when this part of the United Kingdom leaves the European Union?

Mr Davis: When the United Kingdom leaves the European Union, the common travel area will continue.

Richard Drax (South Dorset) (Con): I welcome my right hon. Friend to his post.

The fishing industry, not least in Scotland, was once a proud and large industry envied around the world. Many of my fishermen constituents see leaving the EU as a huge opportunity. Will he reassure them, other fishermen and potential new fishermen around the United Kingdom that fishing will be very high on his list of priorities, including potentially taking the 200-mile limit back?

Mr Davis: One group I have met already is fishermen. The answer to my hon. Friend’s initial question about priority is yes. What form that takes depends on the interests of our fishermen. Because they have interests in other waters, I will not say yes to his second question, but on priority, the answer is yes, absolutely.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Whether we were on the side of remain or on the side of leave, we should now be on the side of doing things in the interests of the British public. In that context, the Secretary of State mentioned the rights of EU citizens and said that he was sure we could arrive at a generous settlement. May I suggest that people worry about their futures, whatever the legal framework? The negotiations with other EU member states on the rights of UK citizens there, and the rights of EU citizens here, are a top priority, because those people deserve to have those uncertainties settled as soon as possible.
Mr Davis: I agree with the right hon. Lady that that is a high priority. If I can accelerate it, I will.

Dr Andrew Morrison (South West Wiltshire) (Con): I welcome my right hon. Friend to his post. He is absolutely the right man to do this important work. He will appreciate the complete economic illiteracy of the European Union. On the one hand, it writes very big cheques to middle-income and developing countries to bail out their flailing economies, and on the other, it gives unequal access to European Union markets. That clearly hampers the ability of those countries to be equal partners rather than supplicants. How can Britain do better?

Mr Davis: I take my hon. Friend's point well, but I am loth to offer free advice to people who are our negotiating partners. That is a central point of their own policy to put right.

Peter Kyle (Hove) (Lab): Does the Secretary of State accept that we will never attain the goal of being a beacon of free trade unless the British financial services industry retains free and full access to the single market?

Mr Davis: That is just one element of free trade, but of course we want to maintain as much access as possible. That is the aim in the negotiations.

Conor Burns (Bournemouth West) (Con): I welcome my right hon. Friend to his place on the Front Bench, and my right hon. Friend the Foreign Secretary and the Secretary of State for International Trade, who are sitting either side of him. We have great faith in what they will deliver. Does the Secretary of State for Exiting the European Union agree that not liking the outcome of a democratic vote is no justification for seeking to overturn it, however much sympathy we may have for Labour Members with their forthcoming democratic vote? This is a great opportunity for the United Kingdom. Is it not time to put the arguments of the referendum behind us and back Britain's Government in getting a good deal for Britain? We are changing the direction of our country. This is not just the Government's negotiation but Britain's negotiation, and this House should unite behind them.

Mr Davis: As always, my hon. Friend speaks for England.

Nic Dakin (Scunthorpe) (Lab): The Greater Lincolnshire and Peterborough Federation of Small Businesses recently briefed me that the confidence of its members is at a four-year low. Like all of us, they want to make Brexit work and are keen to work with the Government to bring that about, but they are keen to retain access to the single market and ease of access to European labour. Most of all, they want certainty. What road map to certainty can the Secretary of State give them?

Mr Davis: Let me first deal with the immediate uncertainty and loss of confidence. There was undoubtedly a downward dip in confidence immediately after Brexit, partly because of all the terrible things people said would happen. They have not happened, and confidence is recovering, so let us put that to one side for the moment.

On access to markets, I am absolutely on the side of those FSB members. That is what we will seek to do, but we must take on board the fact that the sheer level of immigration into the UK from the European Union has caused social issues, and perhaps economic issues for low-paid workers and the like. We must balance that against the corporate interests—that is what we will do—and try to get the outcome that is best for Britain.

James Duddridge (Rochford and Southend East) (Con): As someone who supported Brexit, I offer congratulations on the creation of the Secretary of State's Department and wish it success. However, may I gently ask him when he hopes to close down the Department and return the function of the Minister of Europe to the Foreign Office?

Mr Davis: My desire to return to the Back Benches is overwhelming, so it will be as soon as I can.

Paula Sherriff (Dewsbury) (Lab): The Secretary of State will undoubtedly be aware of our debate later today on the tampon tax and the Government amendment that makes its abolition subject to the UK's EU obligations, and not just our obligations of EU membership. Will he tell the House whether any exit agreement with the EU could include requirements on the UK to set minimum rates of VAT even after our membership ends? In that scenario, can he give us an absolute guarantee that we will be allowed to zero-rate women's sanitary products?

Mr Davis: What the hon. Lady describes is one of the reasons—it is not the only reason, but it is one of many—for wanting to leave the European Union. Being able to set one's own tax rate is a fundamental for an independent country. That is what we want to be once more.

Dr Sarah Wollaston (Totnes) (Con): I warmly welcome my right hon. Friend and the whole Front Bench team to their important new roles in making a success of Brexit. Will the Secretary of State set out what discussions he has had with the EU Trade Commissioner, who has taken a much tougher line on article 50? We all agree it is in everyone's interest to get on and negotiate before we exit, but in a recent interview she indicated that that will not be the case.

Mr Davis: Yes, but the commissioner is not in a position, frankly, to tell the Secretary of State for International Trade what he can do, subject to meeting European law. European law in this case means not putting a free trade agreement into effect until we leave. That is the limit. In terms of other discussions and negotiations, commissioners have tried to say that we cannot speak to other members of the European Union, but Britain's Government in getting a good deal for Britain. Will the Secretary of State set out what discussions he has had with the EU Trade Commissioner, who has taken a much tougher line on article 50? We all agree it is in everyone's interest to get on and negotiate before we exit, but in a recent interview she indicated that that will not be the case.

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Liz McInnes (Heywood and Middleton) (Lab): I am surprised by the right hon. Gentleman's assertion that the mandate for Brexit is overwhelming. I remind him that 16 and 17-year-olds, whose future as European citizens will be most affected by the decision, were denied
a vote. While the Secretary of State is speaking with stakeholders, what steps will he take to ensure that young people are given a voice and a say in their future?

Mr Davis: One aspect of democracy is that one side wins and one side does not win. [Interruption.] Someone from the Labour Front Bench says that young people lost, which is certainly not true. We will see a bigger, greater and more glorious country in future than the one we already have. Just because the hon. Member for Middlesbrough (Andy McDonald) does not understand that does not mean that they lost.

To return to the hon. Lady’s point, young people may of course feel at this point that their views did not win the day. I am afraid that is part of democracy. It is our job to ensure they gain from the outcome of that decision.

Henry Smith (Crawley) (Con): In warmly welcoming my right hon. Friend to his very well-deserved position, I implore him to have early discussions with our right hon. Friend the Home Secretary, the Secretary of State for Transport and others to ensure that the words “European Union” are removed at the earliest possible moment from UK passports and driving licences.

Mr Davis: I will draw my hon. Friend’s comments to their attention.

Pete Wishart (Perth and North Perthshire) (SNP): The statement was 15 minutes of meaningless waffle from a clueless Tory Government who have absolutely no plan for this accidental Brexit. I say to the Secretary of State that there is no point in just dictating to the people of Scotland when it comes to Brexit. Some 62% of the Scottish people voted to remain within the European Union, along with every single one of the Scottish local authorities. How should their views now be progressed?

Mr Davis: And 1 million Scots voted to leave. Despite the partisan use of this argument by the Scottish National party for its own interests, the simple truth is that the Scottish view on whether it should have independence has changed not one jot. That is an answer to the hon. Gentleman’s waffle.

Sir Edward Leigh (Gainsborough) (Con): Congratulations on resurrection after 18 years. It gives the rest of us hope.

It was not just places such as Lincolnshire that delivered the leave result; it was the Labour heartlands in the north and the midlands. My right hon. Friend knows those heartlands very well indeed. Does he think it would have been helpful if the official Labour spokesman—if there is such a thing—had made it absolutely clear that the people had spoken and that all Conservative and Labour Members will deliver this democratic result?

Mr Davis: Sadly, I am not holding my breath for that outcome. What I will say is that the Conservative party is the only party willing to deliver on the people’s decision.

Nia Griffith (Llanelli) (Lab): The Secretary of State for Environment, Food and Rural Affairs, the right hon. Member for South Northamptonshire (Andrea Leadsom) said during the referendum campaign that “those with the big fields do the sheep, and those with the hill farms do the butterflies. That would make a lot more sense for the UK and it’s perfectly possible but only if we leave the EU”.

What reassurances can the right hon. Gentleman give the farming communities that are the lifeblood of rural Wales that subsidies will continue to the more-challenging-to-farm areas, so we are not turned into a big butterfly park?

Mr Davis: The first thing that happened was that the Chancellor underwrote the common agricultural policy payments. That was very important in its own right in terms of confidence for exactly those people. In the discussions on departure from the European Union, and on subsequent agriculture and trade policy, we are discussing exactly those things. We have very much in mind what the hon. Lady is saying.

Richard Graham (Gloucester) (Con): I totally support the Government’s position not to rush into triggering article 50. I welcome the Secretary of State’s comments. He knows how important access to the single market is both for our own businesses and for inward investors from growth markets such as Asia. Does my right hon. Friend agree that just as we are currently in the European Union but have various opt-outs, so in due course we shall be out of the European Union but have the ability to continue arrangements that work well for all sides, for example Europol and the European health insurance card from which so many British families benefit?

Mr Davis: The first premise is returning power to this Government and this Parliament. How they deploy that power is entirely up to them. I would think any sensible Government would be involved in mutually beneficial activity. Israel subscribes to some European research operations and it is nowhere near being a member of the European Union. In those terms, my hon. Friend’s point is well made.

George Kerevan (East Lothian) (SNP): Will the Secretary of State repeat to the House the guarantee he gave in Northern Ireland last week that his Government will not seek to impose a hard border, which would restrict the free movement of people and labour between Northern Ireland and the Irish Republic? Will he extend such a guarantee to Gibraltar and Spain?

Mr Davis: I certainly repeat the statement I made in Northern Ireland last week. The soft border or open border—I am not quite sure what the right phrasing is—existed before either of us were members of the European Union. We were separate countries with different VAT and income tax rates. It seems to me entirely possible, given modern technology, that we can do the same, and that we can design an immigration system that is also able to cope. I certainly reiterate in the House what I said in Northern Ireland last week.

Mr David Nuttall (Bury North) (Con): I warmly welcome my right hon. Friend to his new post and his statement, no doubt the first of many to this House. On 22 June, the day before the referendum, the FTSE
closed at 6,261. Today, it is over 6,800—up 10%. Does my right hon. Friend agree that this tells us all we need to know about investor confidence in our future: that we will be better off outside the European Union?

Mr Davis: What it certainly tells us is that the business community is not as afraid of this great new opportunity as was claimed before the referendum. I do not want to re-run the arguments of the leave campaign, but let me say that while market movements in stock markets are volatile, small and often reverse themselves, what do not reverse themselves are large inward investments. In the year in which our party committed to give the referendum, we had the largest inward investment in our history.

Alan Brown (Kilmarnock and Loudoun) (SNP): I congratulate the Secretary of State who has clearly learned the lessons from the leave campaign because he has said nothing at all today. His statement was 15 minutes of waffle and soundbites about “national consensus”, “interests of the entire nation” and “one nation”, which is completely at odds with the fact that 62% of the electorate in Scotland voted to remain. This does not bode well for meaningful input from the Scottish Government. Will the right hon. Gentleman confirm the claim made during the campaign by the right hon. Member for North Somerset (Dr Fox), now the Secretary of State for International Trade, that Scotland would suddenly have control of a whole new raft of powers, including over immigration—or was that a piece of nonsense, too?

Mr Davis: I do not think that my right hon. Friend was referring to immigration; I suspect he was referring to fishing. What certainly will be the case is that we will take back control of UK fishing rights.

Nigel Adams (Selby and Ainsty) (Con): I, too, congratulate my right hon. Friend and parliamentary neighbour on his appointment—an inspired choice. While he has been in the role during these short few weeks, has he seen any evidence of contingency planning across any Whitehall Department prior to the referendum relating to the possibility that the British public might vote to leave the European Union? It strikes me that in a two-horse race, it might have been an idea to look into this possibility. Furthermore, given that we are going to have to look at all these different laws and 12,000-plus EU regulations that affect our lives, what progress are the Government making on ensuring that we recruit the brightest minds to do this properly?

Mr Davis: Given that my Department did not exist before I arrived in it, it is rather difficult to find documents that relate to what happened beforehand. There was certainly some planning done on the financial side—to deal with any financial turbulence. As we saw, the Bank and the Treasury undertook certain measures. As for the Department itself, I have brushed across it, but the fact that it quadrupled in size in August certainly says something. My hon. Friend will remember from his days as a Parliamentary Private Secretary what Whitehall is like is August—it is empty. We are not short of applicants, and we really have the brightest and the best applying to help us. That applies to the Department for International Trade as well as mine, so my hon. Friend can feel confident about that.

Andrew Gwynne (Denton and Reddish) (Lab): The Secretary of State, whom I welcome to his post, reaffirmed in his statement the Chancellor’s promise that all structural investment fund projects signed before the autumn statement would be underwritten by the Treasury as we leave. That is a bit of a quandary for the people of Greater Manchester. We have been allocated to 2020 £322 million in European structural investment funds, but £157.9 million of that has not yet been contracted. It is currently held up in Whitehall Departments, predominantly the Department for Communities and Local Government and the Department for Work and Pensions. Can the right hon. Gentleman ensure that the people of Greater Manchester get all the £322 million allocated to them by the European Union—and not the lesser amount that has already been approved by the Government?

Mr Davis: I will draw the hon. Gentleman’s request to the attention of the Chancellor.

Mr Philip Hollobone (Kettering) (Con): I congratulate my right hon. Friend on his well-deserved appointment. Some 61% of the people of Kettering voted to leave the European Union and they want to make sure that my right hon. Friend has the tools to finish the job. Following the question about staff numbers from my hon. Friend the Member for Selby and Ainsty (Nigel Adams), the Secretary of State says that he has 180 people at the moment, but how many does he need? Given that his Department will hopefully no longer exist in two years’ time, what incentive is there for the brightest and best civil servants, who will have long-term civil service careers in mind, to join his Department; and what incentives are there to attract people from the private sector?

Mr Davis: The first thing about incentives—we barely need them—is that people will want to be at the centre of the most important historic change that has happened over the last two or three decades. I do not think that will be a problem. Arrangements are being made, precisely because we will disappear when the process is over, to ensure continuity and to ensure that they will go back seamlessly into the Whitehall system. I rather suspect that, at the end, there will be lots more bids for them than that.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine)(SNP): Membership of the European Union allows young people in Scotland the freedom to easily live, learn and work across Europe, and they voted overwhelmingly to remain in the EU. What assurances can the Secretary of State give to young people living in my constituency that these benefits and freedoms will be retained after Brexit?

Mr Davis: That is a good question. I would expect us to be able to ensure that there will be freedoms that are at least as good as those that are in place now. One important aspect—it applies to the EU, but particularly to Britain—is that we are a science superpower. We have a fabulous education system and some of the best universities and the best students in the world. I think that will be reflected in the outcome that we see in a few years’ time.

David Morris (Morecambe and Lunesdale) (Con): I congratulate my right hon. Friend on his new position. Speaking as a parliamentarian who has never seen him
in action at the Dispatch Box, it is an absolute pleasure to watch him. Enough of all that, however; let me get down to the nitty-gritty in my blunt northern way. Will my right hon. Friend look into VAT? As he knows, it was a purchase tax before 1973; it is now VAT. It has fluctuated up and down over the years, but irrespective of that, many small businesses out there need the taper relief because when they hit the VAT threshold, it can actually kill them off. I know that—I was a small businessman; I succeeded, but it was a problem. Will my right hon. Friend please look further into this on behalf of the small businesses of the United Kingdom?

**Mr Davis:** I will personally draw this to the attention of the Treasury, and I will make sure that we think about it as we go through this process.

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**Diana Johnson** (Kingston upon Hull North) (Lab): I congratulate my parliamentary neighbour on his appointment. As he knows, the Humber estuary is fast becoming the UK energy estuary, with Siemens investing massively in Hull and having the potential to export to the single market. Trade deals with Australia will not really cut it in Hull, so will the Secretary of State agree to meet a delegation from the Humber to make sure that the green energy industry benefits from the huge and exciting opportunities that he has talked about?

**Mr Davis:** How could I say no to meeting a delegation from the Humber? Siemens was one of the companies that said that it would continue investment in the UK, which was something of a change from what appeared to be the case before the referendum. Yes, of course.

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**Robert Jenrick** (Newark) (Con): I was delighted to hear my right hon. Friend say that he had begun the huge task of going sector by sector to assess the undoubted challenges that many parts of the British economy will face. Will he add a second column to his spreadsheet for the opportunities that those sectors might have and that might arise from Brexit? We all know from every industry and business that we have worked in that there will be areas of promise from leaving the European Union, particularly in respect of avoiding onerous and excessive European regulations that hold back British economic sectors. Will my right hon. Friend create a parallel process of assessing those regulations so that we can be in a good position as soon as we leave?

**Mr Davis:** That is a good point, and we are on it already. The opportunities side of the spreadsheet, as my hon. Friend puts it, is integral to the process. We have already had reports on some of them, but we are also challenging some of the points that have come back to us because of a degree of special pleading. It takes a little longer than just asking the question, but yes, we are doing what my hon. Friend suggests.

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**Nick Thomas-Symonds** (Torfaen) (Lab): In June, Vote Leave issued an unequivocal letter, co-signed by the Foreign Secretary, saying that the levels of funding that constituencies such as mine currently receive from the European social fund would continue post-Brexit. Will the Secretary of State repeat that guarantee from the Dispatch Box today, or was that letter simply worthless?

**Mr Davis:** Perhaps the hon. Gentleman was not listening earlier when I said that I was putting into the Library the letter from the Chancellor of the Exchequer about the structural fund—exactly what the hon. Gentleman asks.

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**Scott Mann** (North Cornwall) (Con): I welcome my right hon. Friend to his place. One of the greatest opportunities presented by leaving the European Union, particularly for Cornwall, is reclaiming the UK’s territorial fishing waters. Will my right hon. Friend commit not to use this natural resource as a bargaining chip for the wider deal but to embracing the opportunities that this could deliver to coastal communities such as mine and others around the UK?

**Mr Davis:** I have never experienced so many attempts to seduce me into making promises. As I said earlier, this will be one of the gains from the European Union negotiation, but there may be some internal negotiations within it. If my hon. Friend speaks to his local fishermen, he will see what I mean.

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**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): Following the referendum, in which Renfrewshire voted 2:1 to remain, I wrote to businesses across the county to offer any support that I could, and visited many businesses and institutions during the summer recess. They are all desperate for information, but, shamefully, the Secretary of State offered nothing but doubletalk, prevarication and assertions in his statement. When can EU citizens and businesses in Renfrewshire expect some details to emerge about what Brexit will entail, and about how the Government plan to spend the Foreign Secretary’s £350 million a week windfall?

**Mr Davis:** I repeat what I have said already: the information will become available as we work through the process. If the hon. Gentleman somehow imagines that this is a “Lego block” process in which anyone could engage without thinking about it, I suggest that he look at it again.

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**Tommy Sheppard** (Edinburgh East) (SNP): I welcome the Secretary of State to his position, but may I ask whether he appreciates that the appetite of people in Scotland for a further independence referendum, and, indeed, how they might vote in such a referendum, will depend in large part on the response that he and the Government now make to those people’s decision to reject, by a large majority, the separation from the European Union? In 2014, we were promised that Scotland would be respected within this United Kingdom. If, in the months ahead, proposals emerge which offer the prospect of separate and different arrangements for Scotland and for the European Union, will the Secretary of State listen and consider them in good faith, or will he reject them out of hand?

**Mr Davis:** Before I answer the hon. Gentleman’s question, may I apologise to him for the late response to the letter that he wrote to me earlier in the summer? We did try to give him some facts in it.

In respect of the discussions with the Scottish Government and other devolved Administrations, let me say this first up. There is a joint ministerial committee, in which the First Minister, or her nominee—whichever...
she wishes—has been offered a place, and that will be the process whereby we will look at all proposals. The Prime Minister has said that we will look at all proposals. I have to tell the hon. Gentleman upfront that—as I said to the First Minister when I spoke to her about it—I really cannot see how his proposed arrangement could be made to work, but we will look at it.

Ian C. Lucas (Wrexham) (Lab): I congratulate the right hon. Gentleman on his appointment. May I ask him a question about immigration controls? Do the United Kingdom Government propose to continue to differentiate between entry restrictions applying to citizens of the European Union and those applying to people from outside the EU?

Mr Davis: All I can say to the hon. Gentleman is this. My task is to bring the control of that process back to the Government and back to Parliament, and it is for the Government and for Parliament to decide how they use it. The simple truth is that I expect us to see a much more even-handed policy in the future than the one that we have now, but I think that we must wait until the negotiation is completed.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is clear to SNP Members that the Government’s handling of the withdrawal from the European Union has been nothing short of a disgrace, and the lack of leadership shown by the new Prime Minister has done nothing to quell the fears of either British citizens or EU nationals living on these islands. Does the Secretary of State not agree that the only person who has shown any leadership and forward thinking on Brexit is the First Minister of Scotland, Nicola Sturgeon?

Mr Davis: I must say that I thought the hon. Lady was going to refer to Ruth Davidson, who won the popularity contest this time round, but let me say something else about the Scottish nationalist approach to this. Our new Prime Minister, before she even carried out her reshuffle, went to Scotland to see the First Minister. How much more respect one politician could pay to another I do not know, but what gratitude do we get for it? What we have just heard.

Stewart Malcolm McDonald (Glasgow South) (SNP): I will let the House into a secret. Back in 2008, when the Secretary of State resigned his seat over civil liberties, I, as a young 22-year-old, sent him an email wishing him all the best in that election, and, despite our differences, I have been an admirer of his since then. I have to say, however, that I was disappointed by the weakness in his statement. My constituents voted to remain by more than 70%—the highest proportion in the city of Glasgow—but they will expect me to get the best deal in the circumstances. With that in mind, will the Secretary of State outline what powers he expects the Scottish Parliament to gain as a result of the Brexit vote, and when he expects those powers to be implemented?

Mr Davis: First, it depends very much on what is agreed in the negotiation. Secondly, the undertaking that was given was to do everything possible to protect all the interests of all the parts of the United Kingdom—and Scotland, of course, is at the front rank of those people. The issue is not about giving powers to politicians; it is about looking after the interests of the people, and that is what will happen. We will look after the interests of everyone in the United Kingdom, including Scotland.

Several hon. Members rose—

Mr Speaker: Order. I thank the Secretary of State, the Opposition Front-Bench spokespersons, and all 85 Back Benchers who had the opportunity to question the right hon. Gentleman. I am sure that other instalments will follow in due course.
Junior Doctors: Industrial Action

6.26 pm

The Secretary of State for Health (Mr Jeremy Hunt): I regret to inform the House that last week the British Medical Association announced that it was initiating further rounds of industrial action over the junior doctors contract. They involve a series of week-long all-out strikes between now and Christmas, which were scheduled to start next Monday, although this afternoon the BMA delayed the first strike until 5 October. That news is of course welcome, but we must not let it obscure the fact that the remaining planned industrial action is unprecedented in length and severity and will be damaging to patients, some of whose operations will have already been cancelled.

Many NHS organisations, including NHS England, NHS Providers, the NHS Confederation and NHS Improvement, have expressed concern about the potential impact on patient safety. Indeed, this morning the General Medical Council published its advice to doctors on the strike action. While recognising a doctor’s legal right to take industrial action, it urged all doctors in training to pause and consider the implications for patients, saying:

“Given the scale and repeated nature of what is proposed, we believe that, despite everyone’s best efforts, patients will suffer.”

Many others have also questioned whether escalating the strikes is a proportionate or reasonable response to a contract that the BMA junior doctors’ leader, Dr Ellen McCourt, personally negotiated and supported in May. She said then that the new contract was “safer for our patients, safer for our junior doctors... and also fair.”

She said, with respect to junior doctors, that the contract “really values their time, values them as part of the workforce, will really reduce the problem of recruitment and retention, emphasises that all doctors are equal, and has put together a really good package of things for equalities.”

We recognise that since those comments were made, the new contract has been rejected in a ballot of BMA members. However, it is deeply perplexing for patients, NHS leaders and, indeed, the Government that the reaction of the BMA leadership, which previously supported the contract, is now to initiate the most extreme strike action in NHS history, inflicting unprecedented misery on millions of patients up and down the country. We currently expect up to 100,000 elective operations to be cancelled and up to a million hospital appointments to be postponed, which will inevitably have an impact on our ability to hit the vital “18 weeks” performance standard.

Today I want to reassure the House that the Government and the NHS are working round the clock to make preparations for the strikes. All hospitals will be reviewing their rotas to ensure that critical services such as accident and emergency, critical care, neonatal services and maternity services are maintained. The priority of all NHS organisations is to ensure that patients have access to the healthcare they need and that the risks to patients are minimised, but the impact of such long strikes will severely test that. As with previous strikes, we cannot give an absolute guarantee that patients will be safe, but hospitals up and down the country will bust a gut to look after their patients in this unprecedented situation and communicate as soon as possible with people whose care is likely to be affected.

Turning to the long-term causes of the dispute, it is clear that for the BMA negotiators it has been largely about pay, but I recognise that for the majority of junior doctors there is a much broader range of concerns, including the way their training is structured, the ability to sustain family life during training periods, the gender pay gap and rota gaps. After the May agreement, we set up a structured process to look at all these concerns outside the contract and I intend that that work will continue.

Health Education England has been undertaking a range of work to allow couples to apply to train in the same area, to offer training placements for those with caring responsibilities close to their home, to introduce a new catch-up programme for doctors who take maternity leave or time off for other caring responsibilities, and to look at the particular concerns of doctors in their first year of foundation training. Today, HEE has set out further information for junior doctors about addressing these non-contractual concerns, and we are proceeding with the gender pay review that I mentioned in my last statement to the House on this issue.

We have also responded to specific concerns raised by the BMA. First, the BMA, NHS Employers and Health Education England have agreed changes to strengthen whistleblowing protections for junior doctors beyond the scope of existing legislation, so that junior doctors can take legal action against the HEE, in relation to whistleblowing, as if the HEE was their employer. Secondly, in direct response to the concerns raised by Dr McCourt over the role of the independent guardians of safe working hours, NHS Employers has written to all NHS chief executives to set out in considerable detail the expectations for the new guardian role. As of 2 September, 186 of 217 guardians had been appointed with the involvement of BMA representatives, with a further 15 interim arrangements in place, and it is expected that all will be appointed by the middle of this month.

Many junior doctors have expressed concern about rota gaps, and the new contract acknowledges and tackles this concern. The guardians of safe working hours will report to trust and foundation trust boards on the issue of rota gaps within junior doctor rotas. This will shine a light on the issue and it will be escalated, potentially to the Care Quality Commission and the General Medical Council, when serious issues are not addressed. I strongly urge all those considering taking industrial action to consider the progress being made in all these areas before making their final decision.

With respect to the broader debate about seven-day care, we recognise that many doctors have concerns about precisely what is meant by a seven-day NHS. As Sir David Dalton stated publicly last week, we offered to insert details of our seven-day plans in the May agreement, but this was rejected by the BMA, so it is highly disappointing that it now says the need for more clarity over seven-day services is one of the reasons for the strike, but given that it has said that, I would like to repeat further reassurances on that front today.

First, while the changes to the junior doctors contract are cost-neutral—that is, the overall pay bill for the current cohort of junior doctors will not go up or down—our seven-day services policy is not cost-neutral,
and will be funded out of the additional £10 billion provided to the NHS this Parliament. Secondly, while the pay bill for the current number of junior doctors will not increase, we do expect the overall pay bill to go up as we have committed to employing many more doctors to help to meet our commitment on seven-day services. That means that our plans are not predicated on simply stretching the existing workforce more thinly or diluting weekday cover.

Thirdly, we recognise that junior doctors already work very hard, including evenings and weekends, and while we do need to reduce weekend premium rates that make it difficult to deploy the correct levels of medical cover, we expect this policy to have greater implications for the working patterns of other workforce groups, including consultants and diagnostic staff. Finally, we have no policy to require all trusts to increase elective care at weekends. Our seven-day services policy is focused on meeting four clinical standards relating to urgent and emergency care, meaning that vulnerable patients on hospital wards at weekends will get checked more regularly in ward rounds by clinicians, and clinicians will be able to order important test results for their patients at weekends.

Despite these reassurances, there may remain honest differences of opinion on seven-day care, but the way to resolve them is through co-operation and dialogue, not confrontation and strikes which harm patients. To those who say these changes are demoralising the NHS workforce, I simply say that nothing is more demoralising or more polarising than a damaging strike. It is not too late to turn decisively away from the path of confrontation and to put patients first, and I urge everyone to consider how their own individual actions in the coming months will impact on people who desperately need the services of our NHS.

This Government will not waiver in our commitment to make the NHS the safest, highest-quality healthcare system in the world, and I commend this statement to the House.

6.36 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The prospect of a rolling five-day strike by junior doctors was one of the utmost gravity. The junior doctors have suspended next week’s action, which is a step I believe the whole House welcomes, but the remaining programme of industrial action stays in place. If it eventually goes ahead, it will be the first such strike by junior doctors in the entire history of the national health service.

What the current situation shows is that there has been a complete breakdown in trust between junior doctors and the Government. The morale of junior doctors will not increase, we do expect the pay bill to go up as we have committed to employing many more doctors to help to meet our commitment on seven-day services. That means that our plans are not predicated on simply stretching the existing workforce more thinly or diluting weekday cover.

The secretary of State well knows that the public simply do not believe him in his attempt to demonise the junior doctors. Try as he might, he has failed to convince the public that somehow junior doctors are the “enemy within” or mere dupes of the BMA. Far from being manipulated, doctors voted emphatically against the new contract.

Everyone in this House will remember the 7/7 bombings and the No. 30 bus which exploded in Tavistock Square, a few yards from the headquarters of the British Medical Association. Everyone will remember the pictures of doctors, who had been in meetings and their offices, pouring out of the BMA building, heading for the 14 dead people and the 110 victims, without flinching or faltering, fulfilling their vocation of saving lives. These are the people that the Secretary of State seeks to vilify.

Today we know that the junior doctors—who, contrary to what the Secretary of State implied, have always made patient safety a top priority—have cancelled the action planned for next Monday, but if we are going to remove the threat of industrial action, there are questions that the Secretary of State has to answer. There are widespread reports of deficits and financial crises, so how can the NHS move to enhanced seven-day week working, even with the proposed £10 billion the Secretary of State mentioned in his statement, when there are not the resources to maintain the status quo?

I welcome the structural work going on outside the contract on issues such as work-life balance, the gender pay gap, the rota gaps, strengthening whistleblowing protections for junior doctors and, importantly, looking at the role of guardians of safe working hours, but the Secretary of State talked in his statement about confrontation: what could be more confrontational than seeking to impose a contract? Even at this late stage, I ask him to listen to the junior doctors’ leader, Dr Ellen McCourt, when she says: “We have a simple ask of the Government: stop the imposition. If it agrees to do this, junior doctors will call off industrial action.”

The public are looking for the Secretary of State to try to meet the junior doctors: stop vilifying them, stop pretending they are the “enemy within”, and meet their reasonable demands.

Mr Hunt: I will respond to the hon. Lady’s comments, but she needs to be very clear to the House about the implications of Labour’s position on this. She has just said that she welcomes the suspension of next week’s industrial action, but that was not her position at the weekend. At the weekend, when the medical royal colleges, the General Medical Council and even The Observer criticised the proposed strike, what was she saying? She was saying that she would join them on the picket line—something her predecessor refused to do. The fact that strikes cause harm, misery and despair for families
[Mr Jeremy Hunt]

up and down the country. When one of the most extreme members of the BMA junior doctors executive, Dr Yannis Gourtsoyannis, said that these strikes were "the single most positive thing that has occurred within NHS politics in decades", what was Labour’s response? Did it condemn that? No. The shadow Chancellor actually invited him to advise Labour on policy. I just say this because—

Ms Abbott rose—

Mr Speaker: Order. For clarification, I must emphasise that there is no concept of giving way in respect of a statement. Although this might resemble a debate to those who are attending our proceedings from beyond the confines of the Chamber, it is a statement with a response. There are no interventions.

Sir Peter Bottomley (Worthing West) (Con): She is new to her job.

Mr Speaker: We are always grateful to the hon. Member for Worthing West (Sir Peter Bottomley) for whatever counsel he might wish to proffer, even if it is done from a sedentary position.

Mr Hunt: Thank you, Mr Speaker.

The shadow Health Secretary needs to recognise that working people, the people her party claims to represent, need a seven-day NHS. The vulnerable people that Labour claims to represent get admitted to hospital at the weekends, and in industrial disputes patients should always matter more than politics. The next time she meets a constituent who has suffered because of not having a seven-day service or because their operation has been cancelled because of a strike, she and her colleagues should hang their heads in shame.

The hon. Lady has used some very strong words. She used words such as "vilifying" and "demonising" in relation to the junior doctor workforce, and that is a very serious thing to say. I challenge her to find a single piece of evidence that has come from me or anyone in the Government, and if she cannot do so, she needs to withdraw those comments and apologise to the House. The fact is that the single most demoralising thing for the NHS workforce is strikes, because they entrench and harden positions, which results in people getting very angry, and it becomes much harder to find consensus.

The hon. Lady also talked about the use of statistics. She does not have to listen to what I say—and I understand, given the sparring that goes on between us, that she might not want to—but we have had eight academic studies in the past five years that describe increased mortality rates for people admitted at weekends. Her response to this, in a phrase she used in another context, was that there was "zero empirical evidence" for a weekend effect. I would caution her on this, because taking that approach to hard data is exactly what happened at Mid Staffs, where hard evidence was swept under the carpet year after year because it was politically inconvenient. This Government will not make that mistake.

Finally, the hon. Lady said that my civil servants had apparently advised me that this policy would not work. Not at all. What happens with every Government policy, as you would expect, is that smart civil servants kick the tyres of every aspect of the policy to enable us to understand the risks involved. She did not mention the fact that the same document to which she referred actually says that we are on track to deliver the four clinical seven-day standards to 20% of the country by next April. I think that her constituents will welcome that, even if she does not. These strikes are going to harm patients, damage the NHS and make it harder, not easier, to resolve the challenges facing junior doctors. Labour has chosen political opportunity today, but we will do the right thing for patients.

Mr Kenneth Clarke (Rushcliffe) (Con): Does my right hon. Friend agree that it has been an indefensible anomaly for many years that the national health service so reduces its services at weekends when the patients it serves are vulnerable to urgent or emergency conditions and need the highest standards of care for chronic conditions on a seven-day basis? Will he continue to make what he has described as careful progress? Will he also make it clear that the seven-day service will not simply do routine work and that it will be introduced as resources and staffing allow in line with civilised conditions? Further, on the strange politics of the dispute that keeps coming back to haunt him, does he agree that while the BMA has always been one of our most militant trade unions and while the Labour party has been very left wing in its leadership before—most notably in the 1980s—it is almost inconceivable that at any time in the past such extreme militant action that threatens patients would have been supported by the BMA or the Labour party? They are now opposing a contract that union leaders praised as a sensible settlement, given the improvements that it offered, only two or three months ago.

Mr Hunt: As ever, my right hon. and learned Friend speaks incredibly wisely. Actually, his last comment goes to the nub of why this is totally extraordinary, unprecedented and completely unacceptable. It is true that the junior doctors have rejected the agreement that was reached in May in a ballot, and we have to accept that. There are all sorts of reasons why that might have happened, but the choice to escalate the industrial action and to call the worst strike in NHS history was made not by those junior doctors but by the BMA leaders. They made that decision about a contract that they themselves had described as being good and safer for doctors and patients only in May. How can they justify that? Is there not perhaps a desire to pick a very big fight?

We were making good progress over the summer in a whole series of dialogues in different areas to try to resolve some of the non-contractual issues that the junior doctors are worried about, but this action makes it virtually impossible to continue that progress, although we will try very hard to do so. My right hon. and learned Friend is absolutely right to say that this is completely unacceptable and damaging for patients. I am afraid that I am having to go through some of the very same battles that he had to go through when he was Health Secretary.

Dr Philippa Whitford (Central Ayrshire) (SNP): I know how difficult it will be for junior doctors to take part in the strikes that have been described, and I personally am really sad that we have come to this
point. Does the Secretary of State recognise the anger and desperation among the junior doctors that have led us to this point? In my mailbag from junior doctors, two things stand out. One is that the threat of imposition was there right from the word go last summer, and it therefore felt like a threat rather than a negotiation. The other involves the misuse of numerical statistical data by translating it into a claim that it refers to avoidable deaths at weekends, even though there has been no evidence of avoidable deaths. The Secretary of State has not commissioned a review of cases that might show how many of those deaths were avoidable and whether a lack of junior doctors contributed to them. The real danger in the NHS at the moment is rota gaps. Doctors are being asked to do double shifts or to carry two pagers, which means that where there should be two doctors covering an area or a service, there is only one. That is a real, palpable danger right now.

The Secretary of State has said that he would employ extra junior doctors rather than spreading the same number more thinly, but where does he plan to get them from when we cannot even fill the existing posts? I number more thinly, but where does he plan to get them from? In my mailbag from junior doctors, two pages of complaints, one is that we might have got further if we had started at that point last summer? He calls for a turn away from strikes and for getting around the table to co-operate and discuss these matters, so when is he going to meet the junior doctors to try to avert these strikes?

Mr Hunt: The hon. Lady is a doctor, and I would simply say to her, as I said to the shadow Health Secretary, that she needs to justify the claims that she constantly makes in this Chamber about a misuse of statistics. I have been very clear about when we can actually statistically say that a death is avoidable. The studies demonstrate clearly that a higher number of people are dying from weekend admissions than we would expect. What this Government will not do is sit and ignore those numbers, which are backed up in study after study, I think that we are doing the right thing, and as a doctor she should recognise that.

The hon. Lady has said time after time over the past year that the Government should lift the plans to impose the contract and get around the table and negotiate. She could today have given the Government credit for doing exactly that in May when we thought there was an opportunity to do a deal. We lifted the imposition of the contract and got around the table to negotiate a deal that turned out to be good for both sides. Having done that, the problem is that the same people with whom we negotiated the deal have decided to call the most extreme strike in NHS history, which is unacceptable.

Rota gaps are a real problem that we are trying to address by, first, ensuring that systems are in place for junior doctors to blow the whistle if they think that such gaps are unsafe for patients. That is why we have introduced guardians of safe working, and we are committed to that. Secondly, we want to ensure that there are people to fill those rota gaps by training more doctors. We are training 11,420 more doctors in this Parliament than in the previous and already have around 9,000 more doctors than in 2010. As a doctor, those are things that the hon. Lady should recognise.

Several hon. Members rose—

Mr Speaker: As always, I am keen to accommodate everybody who wants to take part, but I think it is not unreasonable, given the relatively small number, for me to hope that we might conclude these exchanges by 10 past 7—quarter-past at the latest. Brevity is of the essence. We do not need long narratives. We just need questions and short answers. We will be led in that mission by the Chair of the Health Committee.

Dr Sarah Wollaston (Totnes) (Con): I welcome the BMA’s suspension of next week’s damaging industrial action. It is clear from its statement that thousands of doctors had been in touch to say that they wanted to keep their patients safe. Doctors know that they cannot do so with full, rolling, five-day walkouts. Will the Secretary of State therefore join me in asking the BMA to ballot its members to hear their views before they proceed with the other proposed, damaging, five-day walkouts?

Mr Hunt: The BMA should talk to its members much more because, as far as I could tell, the consultation over the summer showed that only a minority actually wanted this extreme series of rolling one-week suspensions of labour that the BMA supported in the end. Most junior doctors are perplexed and worried about the situation and would love to find a solution. There was a bitter industrial dispute, but we actually started a process through which trust was being rebuilt on both sides. In a series of meetings, I met the junior doctors’ leader to talk through the areas of her greatest concern and we made progress in addressing two of those four outstanding areas. Building that trust means actually sitting around the table and talking, not having confrontational strikes. I think that is what most junior doctors want.

Norman Lamb (North Norfolk) (LD): I want to return to the critical issue of how we ensure safe cover during the week if we expect doctors to work more hours at weekends. The Secretary of State has repeated again today that he will employ more junior doctors, but what is the timescale? What will the net increase in doctors be this year, next year and in the rest of the Parliament?

Mr Hunt: I do not have figures to hand for exactly what the number will be this year—I will certainly let the right hon. Gentleman know—but around 11,500 extra doctors will be trained during the course of this Parliament.

As I said in the statement, it is important to recognise that the changes involve not only junior doctors. We need more weekend consultant cover—that is particularly important—and more people who are able to do the diagnostic tests. A whole range of people need to take part in the changes to improve standards of care at the weekends.

Michael Gove (Surrey Heath) (Con): I congratulate my right hon. Friend on his reasonable yet resolute approach throughout the negotiations, which has been reflected in the fact that the leaders of so many royal colleges chose to criticise the decision to go on strike. The suspension of the strike action is therefore wholly welcome.
My right hon. Friend. Friend made the point that clinical standards will be improved as a direct result of the move towards a seven-day NHS. Will he enlighten the House about which particular types of patient in which circumstances will benefit as a result of his welcome drive to improve patient care?

Mr Hunt: I am happy to do that. Indeed, I am delighted to take a question from my right hon. Friend, because it is after someone has long departed an office that people actually appreciate that big, important changes were, which was certainly the case from his tenure as Secretary of State for Education.

One of the clinical standards states that people admitted at weekends should be seen by a senior doctor—a consultant or an experienced junior doctor—within 14 hours. They will be seen by a doctor much sooner than that, but they should be seen within 14 hours by someone experienced enough to know whether there is something to worry about. That would happen in most places during the week, but it does not happen in many places over the weekend. Another standard relates to the most vulnerable patients who are at real risk of going downhill. This is not the clinical term, but doctors say that spotting people who are going downhill is one of the most important things. Such people should be checked at least twice a day by someone experienced enough.

Those are two of the four clinical standards that we want our constituents to be reassured are in place across the country. We think that that will make a big difference.

Heidi Alexander (Lewisham East) (Lab): The Health Secretary will know that a worrying number of A&E and maternity departments were either closed or downgraded over the summer because they simply could not get the necessary number of junior doctors: Chorley, Ealing, Stafford—I could go on. If we are training more junior doctors, why do we still have that problem?

Mr Hunt: The pressures in the NHS mean that there is a need for more doctors for all sorts of reasons, and we do not have as many doctors as we need at the moment. That is why this Government are training more doctors and putting an extra £10 billion into the NHS. The manifesto that the hon. Lady stood on just over a year ago would not have put that sort of funding into the NHS and would have meant that we were unable to train that number of extra doctors. We are doing that, but it takes time and we need to ensure that services are safe while we are getting there.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on his balanced and reasonable approach in the negotiations despite provocation from people who really should know better. Does he agree that there cannot have been a single occasion in the history of the NHS other than this in which the General Medical Council—the body responsible for professional standards—has effectively had to intervene to stop a strike? Will he also admit that we might have underscored the centrality of Sir Bruce Keogh’s four clinical standards a little more when introducing the notion of the seven-day NHS?

Mr Hunt: In response to my hon. Friend’s last point, we have been clear from the outset about what we mean by a seven-day NHS for hospital care, but a huge amount of misinformation has been put out. This time last year, for example, the BMA was telling many people that our plans were to cut pay by between 30% and 50%. That is why strikes are damaging. Positions get entrenched on both sides and misinformation sometimes gets out, as it has done, causing a lot of anxiety.

I agree with my hon. Friend about the GMC’s significant intervention. The medical regulator is completely independent of Government and has been clear that doctors have a responsibility not to take a decision under any circumstances that would lead to their patients being harmed.

Dr Rosena Allin-Khan (Tooting) (Lab): As the Secretary of State knows, prior to taking up this office in June I was an emergency medicine junior doctor on the frontline of our NHS for the past 11 years. Today, doctors have listened and have halted strike action, putting patient safety first.

This is not the first time I have stood before the Secretary of State to say that I worry that the imposition of the contract does not put patient safety first. The Government can train all the extra doctors they want, but current junior doctors are leaving. The risk of having a contract imposed on them is causing them to move further afield to places such as Australia. I have always maintained that a safe seven-day NHS cannot be created with an overstretched five-day team and the rota gaps are proof of that. Doctors have listened today. Will the Secretary of State listen and please halt the imposition?

Mr Hunt: I thank the hon. Lady for what she did alongside many colleagues working in A&E departments over many years, but to call this an imposition is a mischaracterisation given what actually happened. The contract was not only agreed, but recommended and supported by the leaders of the BMA. Before she was elected, we had many discussions in the House about whether negotiations were possible and what I should do, and there were a range of different views. In the end, I listened—and just as she has asked me to today—and sat down and negotiated a deal that was supported by the BMAs leaders. That is why it is so incomprehensible that those same leaders—the people who represent her and her profession—have now called the most extreme strike in NHS history.

Sir Peter Bottomley (Worthing West) (Con): I put it to my right hon. Friend. Friend that the choice for junior doctors or doctors in training is whether they have the old contract or the agreed contract. I have not yet had a letter from any of my doctors saying that they think the old contract is better for them, for the health service or for patients. May I therefore recommend that they sign up willingly to the new contract, that they start discussions with the BMA, and through the royal colleges, on what should happen in a few years’ time when the contract itself comes up for review and that they work to improve the non-contractual situation, which my right hon. Friend has provided a good lead on?

Mr Hunt: My hon. Friend is absolutely right on that. In May, the BMA leadership, with whom we were having a very open discussion, had satisfied themselves
that on the concerns many junior doctors have about their working conditions, many of which I accept are wholly legitimate, we had done pretty much everything we could inside a contract and the work that needed to be done was on the extra- contractual things. I am talking about the way the training system works when people are being rotated to a different hospital every six months, the fact that some people were being sent to a different city from their partner and how bad that was for family life, and all sorts of other things that need to be sorted out. Ironically, since the introduction of the working time directive, things have got a lot worse for many people, although we do not want to go back to the excessive hours of before. Those were the things we were patiently working through, and the way that is done is through dialogue, not confrontation, which is why this action is such a step backwards.

Mr Dennis Skinner (Bolsover) (Lab): Is it not a weakness of the Secretary of State’s argument that it is just conceivable that he is wrong about imposing a settlement on a seven-day week for the NHS? It takes two to cause a strike, which is why he should look at this proposal again. He is very airy-fairy about training these doctors for the future. He is not being clinically correct at all. He has heard from people who have recently worked there, so why does he not reassess this seven-day week, get around the table, stop imposing a settlement and come to a negotiated agreement?

Mr Hunt: With great respect to the hon. Gentleman, if I am wrong about this, so are the leaders of the BMA, because they said the contract that he says I should not impose was a good contract, safer for patients and for doctors, and good for the NHS, for equalities and for a range of things. The contract we are proceeding with is one that doctors’ leaders said was a good deal for junior doctors, so if we are going to resolve this, that is the contract we should proceed with.

Alistair Burt (North East Bedfordshire) (Con): May I express my strong support for the Secretary of State, not only for the measured way in which he has handled today’s statement but for the way in which he has conducted the negotiations, as shown by the 100-plus concessions that have been made to doctors’ negotiating positions over the past four years? Is not the inevitable logic of the BMA’s suspension of the strikes—I warmly welcome that—on the advice of other medical professionals that this should be applied in exactly the same way to the other strikes that have been called? The same logic would apply. Would it not be best for the BMA’s reputation to call off the rest of the strikes and to work with the Government on the other non-contractual areas that need to be dealt with, so that we can move forward from this, end this period of confrontation, get the health service that we all believe in and end some of this silly rhetoric coming from those who suggest that Conservative Members do not believe in the NHS?

Mr Hunt: I have a stunning new ministerial team, two of whom I am pleased to see here today, but I wish to take this moment to say how much I enjoyed working with my right hon. Friend last year. Then, as now, his advice and thoughts are very wise. The Government have made 107 concessions, and the BMA might like to think what signal it sends if that many concessions are made, an agreed deal is reached with the union leadership and the reaction then is for the most extreme strike in history to be called. What encouragement will that give to other Ministers to be moderate and reasonable in their negotiations with unions? The position being taken is preposterous and many other choices could have been made when dealing with losing the ballot, but he is right in what he says.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): A lack of workforce planning and weak financial management have led to staff shortages, which have been a major contributor to this dispute. The Department of Health accounts and NHS England accounts, which came out on 21 July, underlined that weakness in financial planning, with the Comptroller and Auditor General saying clearly that he had real concerns about the future sustainability of NHS funding. We have, however, heard the Secretary of State say again today that the £10 billion available is to solve the issue about the seven-day NHS, but we have also heard that money promised for many other things by the head of NHS England. Does the Secretary of State really have a plan for the financial sustainability of the NHS? If so, what is it?

Mr Hunt: We do and we are implementing it. I know that the hon. Lady has looked at this in great detail, and I simply say, in broad terms, that following the tragedy of what happened at Mid Staffs the NHS was very honest about how some of the poor care there was happening in other places and NHS trusts decided that they needed to have more staff in their hospital wards. The poor workforce planning that she talked about, which goes back many decades in the NHS, meant that the result was an explosion in the use of agency staff, the cost of which rose to more than £3.5 billion in the last financial year, which has put huge pressure on finances. The lesson that we must take away, not just for the junior doctors’ strike, but for financial sustainability, is that we need to be better at workforce planning and training up the number of doctors and nurses that we need.

Several hon. Members rose—

Mr Speaker: I call Dr (post-war strategic military planning) Julian Lewis.

Dr Julian Lewis (New Forest East) (Con): In other words, I am totally unqualified as a medical doctor. Therefore, may I ask a question about democratic mandates? I appreciate that, unlike a referendum, a general election does not give an entirely specific mandate on every proposal put forward, but will the Secretary of State take the opportunity to remind the House and the country of how central the proposal for a seven-day NHS was to the Conservative manifesto as far as his Department was concerned?

Mr Hunt: My right hon. Friend is right, as that was our only really substantive promise in terms of a commitment to the NHS at the last election. We are funding it and we have an absolute obligation to the British people to deliver on it. That is why in that short period after the last election I felt I had to be clear with the BMA that we were going to deliver on that manifesto promise. If the BMA had reflected on that, it might have perhaps behaved differently from how it did.
Diana Johnson (Kingston upon Hull North) (Lab): In the light of the ongoing dispute and concerns about patient safety, has the Secretary of State given any consideration to the idea of compulsory independent arbitration, binding on both sides, to settle disputes where patient safety and public safety is in dispute? Will he look at that?

Mr Hunt: I do not think that is the way forward, because the best way to solve these disputes is by an agreed solution. That is actually what we had, which is why it is so disappointing that the BMA has chosen not to work to try to implement it.

Michael Fabricant (Lichfield) (Con): Last Thursday, I was at Queen's hospital in Burton having a minor skin procedure—hence my black eye—where I met not just junior doctors and consultants, but patients. Let me tell my right hon. Friend how concerned they are about this series of strikes. They just do not understand it, as one junior doctor said to me—he may or may not have been in the minority. Dr Johann Malawana, the previous BMA representative for junior doctors, said that this was a “good deal” for junior doctors—I noted that down at the time. One point that was made to me was that this constant defence of BMA action by the Labour party and, in particular, by the Labour spokesman is regarded as being encouragement for these strikes, whether she means to do it or not. May I urge her to say, “Look, it is not good enough. It is not good enough for patients and it is not good enough for the NHS”?

Mr Hunt: My hon. Friend is absolutely right. All of us in this debate have one simple thing to consider: what is the right answer for the people we represent? They understand that there are financial constraints and that the NHS cannot do everything, but they do want us to strive to make it safer and better the whole time. It is a surprise and a disappointment that we do not hear more of that language from the Labour party.

Bill Wiggin (North Herefordshire) (Con): My constituents who are patients do not want this strike, and I do not believe that my constituents who are doctors want this escalation in industrial action. If it is the case that only 4% of doctors support this escalation, should the BMA not again check its mandate?

Mr Hunt: It absolutely should. The BMA has been out of step with both the British public and its own members this week. My hon. Friend’s own hospital in Hereford—Hereford county hospital—is in special measures. It has a huge number of problems, which it is working really hard to sort out, and we are helping it to sort them out. Is that not what we should be focusing on in the NHS, rather than having to do contingency planning for these damaging strikes?

Alex Chalk (Cheltenham) (Con): Does the Secretary of State agree that the actions of the BMA in warmly backing the contract in May only to condemn it in August and call for these extreme strikes have seriously damaged its credibility? On the issue of pay, which we know from the leaked WhatsApp messages is the only red line, can he confirm that no doctor working legal hours will be paid less?

Mr Hunt: Yes, I can absolutely confirm that. We have put in place pay protection to make that happen. My hon. Friend is right that this is very damaging for his constituents in Cheltenham. Given that there is so much pressure in the NHS, the junior doctors who are thinking of striking must ask themselves whether it is really going to help their organisation respond to those pressures if it has this enormous distraction—this incredible demoralisation that we get with these kinds of strikes.

Mike Wood (Dudley South) (Con): Does my right hon. Friend share my disappointment that the BMA leader who co-authored the new contract and said that it was beneficial for our patients and for our junior doctors is now trying to whip up support for a series of strikes that every credible medical leader has said would be disproportionate and harmful to patients?

Mr Hunt: I am extremely disappointed and I hope that she reconsider.

David Morris (Morecambe and Lunesdale) (Con): The fact that these strikes are occurring and being called off is very serious, especially against the backdrop of this contract. One of my constituents, who is a doctor, the chairman of Doctors in Unite and the deputy chairman of the BMA, stated in the Sunday Times that this issue could be used to beat the Tories and make the country great again. Does my right hon. Friend agree that it is appalling that patients across the country are being used as pawns in the political game of “Corbynista-ism”?

Mr Hunt: I completely agree. I am afraid that this is where I am very, very disappointed with the Labour party. Thrilled though it might be to have so many supporters of the leader in the more extreme ranks of the BMA, it helps no one to try to use the NHS as a political pawn and to weaponise the NHS as it tried so destructively to do before the last election.

Mr Philip Hollobone (Kettering) (Con): Kettering general hospital is under pressure on a number of fronts. Even if the industrial action does not take place, the threat of it diverts key personnel from their normal difficult task of contingency planning, filling rotas and making sure that patients stay as safe as possible. Does my right hon. Friend agree that even the threat of industrial action does huge harm to our hospitals and the NHS?

Mr Hunt: I am more than happy to agree with my hon. Friend. The staff at Kettering general hospital work extremely hard. I have been there, as he knows. It is a very busy hospital. One shudders to think what the impact would be if we removed a third of the doctor workforce in a hospital such as that.

Philip Davies (Shipley) (Con): I was just reading an article from earlier in the year from The Guardian newspaper, which said that Saturday working is the major sticking point in the junior doctors’ dispute. Does the Secretary of State agree that any doctor who goes on strike over premium rates of pay on a Saturday, which most people in this country do not get when they work on a Saturday, should hang their heads in shame? Will he give a commitment that he will not make any
further concessions, as he has already given far too many.
Is it not time to look at whether we stop doctors from
going on strike altogether in the NHS, as is the case
with other emergency services?

Mr Speaker: It may be the first occasion upon which
the hon. Member for Shipley (Philip Davies) has vouchsafed
to the House that he is a Guardian reader.

Mr Hunt: I was nervous mentioning the fact that the
Government have made 107 concessions when I saw
that my hon. Friend might be in the Chamber because I
knew that, for him, that would be 107 too many. His
broader point is absolutely spot on. The working terms
and conditions for Saturdays for junior doctors in this
new contract are better than they are for nurses, police
officers, fire officers and for those in many other parts
of the economy. That is why I think it is a fair deal that
everyone should recognise and welcome.

Kevin Foster (Torbay) (Con): I know that the Secretary
of State will agree that what sums up this dispute is
that, under the existing contract unless the new one is
brought in, we could be treated by a doctor working
their 91st hour in a week. Does he agree that it is
absolutely bizarre to see this level of strike action called
when even the BMA’s own council was so divided over
whether to support it?

Mr Hunt: That is absolutely right. What my hon.
Friend is alluding to is the fact that, in the new contract,
we are reducing the maximum hours that any doctor
can be asked to work in any one week from 91 hours to
72 hours. There are all sorts of other safeguards that
benefit safety. He is right. This should not be happening,
and I urge the BMA to reconsider.

Richard Drax (South Dorset) (Con): May I offer my
support to my right hon. Friend. I have never heard him
vilify the doctors, as he was accused of doing. That
language was not appropriate in this debate. Is he aware—I have heard this from one chief executive—that
hospitals have been told not to speak to the junior
doctors to try to resolve the dispute within the hospitals
and the foundation trusts themselves? If there has been
such an instruction, does he agree that it will not help
solve the dispute for the future?

Mr Hunt: I am very surprised to hear that. If my hon.
Friend wants to pass me the details, I will happily look
into it. On the ground, the management of hospitals are
working very closely with not just junior doctors, but
BMA representatives to try to do everything they can to
keep patients safe if these strikes go ahead.

Mr Speaker: Order. I am most grateful to the Secretary
of State and to colleagues.

FINANCE BILL (PROGRAMME) (NO. 2)

Ordered,

That the following provisions shall apply to the Finance Bill
for the purpose of supplementing the Order of 11 April 2016 in
the last Session of Parliament (Finance (No. 2) Bill: Programme):

1. Paragraphs (11) and (12) of the Order shall be omitted.

2. Proceedings on Consideration shall be taken on the days
shown in the following Table and in the order so shown.

3. The proceedings shall (so far as not previously concluded)
be brought to a conclusion at the times specified in the second
column of the Table.

<table>
<thead>
<tr>
<th>Proceedings</th>
<th>Time for conclusion of procedures</th>
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<tbody>
<tr>
<td>First day</td>
<td></td>
</tr>
<tr>
<td>New clauses, new schedules and amendments to clauses and schedules relating to corporation tax.</td>
<td>Two hours after the commencement of proceedings on the motion for this Order.</td>
</tr>
<tr>
<td>New clauses, new schedules and amendments to clauses and schedules relating to tax avoidance and evasion.</td>
<td>Four hours after the commencement of proceedings on the motion for this Order.</td>
</tr>
<tr>
<td>New clauses, new schedules and amendments to clauses relating to VAT on women’s sanitary products.</td>
<td>Six hours after the commencement of proceedings on the motion for this Order.</td>
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<tr>
<td>Second day</td>
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<tr>
<td>New clauses, new schedules and amendments to clauses relating to capital gains tax.</td>
<td>4.30 pm</td>
</tr>
<tr>
<td>New clauses, new schedules and amendments to clauses relating to insurance premium tax; remaining new clauses, new schedules and amendments to clauses and schedules; remaining proceedings on consideration.</td>
<td>6 pm</td>
</tr>
</tbody>
</table>

4. Proceedings in Legislative Grand Committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7 pm on the second day of proceedings on consideration.—(Jane Ellison.)
Finance Bill

[1st ALLOCATED DAY]

Consideration of Bill, as amended in the Committee and the Public Bill Committee.

New Clause 5

CORPORATION TAX TREATMENT OF THE OIL AND GAS INDUSTRY

The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission a comprehensive review of the corporation tax rates and investment allowances applicable to companies producing oil and gas in the UK or on the UK continental shelf, and publish the report of the review.—[Kirsty Blackman.]

Brought up, and read the First time.

7.18 pm

Kirsty Blackman (Aberdeen North) (SNP): I beg to move, That the clause be read a Second time.

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

New clause 10—Review of the operation of the Patent Box—

“(1) The Chancellor of the Exchequer shall, within six months of the passing of this Act, lay an independent report of the value for money provided by, and the efficacy of, the Patent Box legislation before both Houses of Parliament.

(2) The report shall—

(a) assess the size and nature of the companies taking advantage of the Patent Box legislation;

(b) assess the impact of the Patent Box legislation on research and innovation in the UK, including supporting evidence; and

(c) assess the cost effectiveness of the Patent Box legislation in incentivising research and development compared to other policy options.”

New clause 11—Assessment of taxation regime for securitisation companies—

“The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission an independent assessment of the efficacy of the taxation regime to which securitisation companies—

Amendment 177, page 87, line 6, leave out clause 44.

Amendment 162, page 87, line 8, ‘leave out clause 45.

Government amendments 152, 153, 1 to 29, 154, 31, 155, 33 to 59, 156, 61 to 113, 157, 115 to 117, 158, 159, 119 to 128, 160, 129 to 131.

Kirsty Blackman: I rise to speak to new clause 5, which is in my name and the names of my hon. Friends, but I wish briefly to mention amendment 162, which is a good thing.

producing oil and gas in the UK, or on the UK continental shelf. This is a timely ask from us for a number of reasons. For a start, this Bill implements measures that were put in place and discussed first in February and March, before the EU vote, and there have not been any substantive changes by the Government to the Bill as a result of the Brexit vote.

Substantive changes to the Bill are needed because we find ourselves in a completely different situation as a result of the fall-out from Brexit. It is unfortunate that changes have not been made and that there have not been more announcements from the Government about how they intend to manage the financial situation going forward. We want to know about the impact on Aberdeen, which I represent, and on the UK’s tax take and the Treasury. It is important that we seriously consider making changes to the Bill.

We have repeatedly asked for changes to the tax rates and for a comprehensive strategic review. We appreciate that the Government made changes earlier this year, but we do not think they go far enough. Alex Kemp, a renowned petroleum economist, and his long-term research partner, Linda Stephen, are both at Aberdeen University, where they have been working on sophisticated modelling tools. If the Minister has not read the article that appears in Energy Voice today, it is worth reading, together with the report that accompanies it. The work that they have done suggests that corporation tax of 30% is too high, and it is far above the non-North sea rate. They said:

“From the analysis of the economics of new field investments and exploration in current circumstances in the UKCS it is clear that, at $50 and $60 prices, there are many ‘marginal project investment situations’.”

That is key. It is what we have been arguing, and now it is backed up by renowned experts.

The position in which the industry finds itself bears repeating. Estimates vary, but we have lost around 125,000 jobs—from 425,000 we are down to about 300,000. That implies a huge reduction in the tax take for the Treasury and it is a massive hit for the local area, particularly Aberdeen and across Scotland and other oil and gas-producing areas. Because of the reduction in the oil price, we have seen changes in the behaviour of companies. As well as making people redundant, they have changed shift patterns and terms and conditions. They have also managed to reduce production costs, which is a good thing.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): Brexit casts further uncertainty over the oil and gas industry, which under this Conservative Government has seen the legislative goalposts moved almost continuously, thereby hindering vital investment. Does my hon. Friend agree that given that the Bill implements measures devised prior to the EU vote and, as such, fails to provide for an economy that is facing the harsh reality of Brexit, more must be done to mitigate investor uncertainty in the oil and gas sector?

Kirsty Blackman: Indeed. Brexit compounds the issues that we have seen in the oil and gas industry, particularly in the North sea, and affects investment. This year we are expecting less than £1 billion-worth of new capital projects to be agreed. In each of the past five years we have seen an average spend of £8 billion. There has been
a massive drop-off. Much of that is linked to the global oil price, but the Government have not done enough to increase investor confidence, especially in the light of Brexit. Some projects are not being sanctioned because of companies’ negative cash flow. Jobs are consequently being lost all the way along the supply chain. We are losing contracts, expertise and people working in the industry in and around Aberdeen, Scotland and the UK.

Exploration and development activity is at an all-time low. Oil and Gas UK produced a report in February this year which predicted that if the current trajectory of low investment and new projects not being approved continues, we will see a fall in production in 2020. We are not ready for that. Our strategy has been to maximise income and recovery, and the Oil and Gas Authority’s main aim is to ensure that we get as much out of the North sea as we can. Because of the lack of investor confidence and the inability to sanction new capital projects, that is becoming increasingly difficult.

I have asked various Ministers about the Government’s intentions. We are not seeing investor confidence. We are seeing a major drop-off in investment, as the figures show. I welcome some of the changes that the Oil and Gas Authority has made. It is working on making it easier to transfer assets that have reached the end of their life. We do not want decommissioning to take place now. I understand entirely that if there is sufficient UK spend, there will be a financial benefit to UK companies from decommissioning, as long as we can ensure that the supply chain for decommissioning is based in the UK.

However, some of the assets that have been in the North sea for 30 years are at the end of their useful life and need to be decommissioned. I welcome the OGA’s push to ensure that as much of that spend as possible is in the UK, and I welcome its efforts to ensure that assets can be transferred so that as much oil as possible can be recovered from each of those fields. The OGA has been focusing on enhanced oil recovery, but the Government have not done enough in that respect. Changes are necessary to the tax regime to encourage companies to undertake enhanced oil recovery.

**Rob Marris** (Wolverhampton South West) (Lab): I hear the hon. Lady standing up doughtily for her constituency and for the oil and gas industry in Scotland. What bemuses me is that if the independence vote had gone through, in spring 2016, Scotland would have had income of £100 billion and expenditure of £120 billion—a structural deficit of 20%. Now the hon. Lady is advocating increasing that black hole. How would she bridge that gap?

**Kirsty Blackman:** We are under a Westminster Government; we do not have full control of our own economy. That is a damming indictment of the way that the Westminster Government are running the economy of Scotland. It is incredibly important that we get independence and that we are therefore able to make decisions, particularly in the oil and gas industry, where the Government have not moved quickly enough or been flexible enough in the changes they have made. It is important that we make the decisions and grow our economy, because the Westminster Government are failing to do so.

On the future for energy and for the North sea, Statoil produced a report entitled “Energy Perspectives”. It is important to consider the future for the North sea and the UK continental shelf in that context. Statoil predicts that up to 2040, total primary energy demand will grow between 5% and 35%. That is a wide range because a number of different scenarios have been analysed. In all scenarios there is an increase in total energy demand. Statoil predicts that energy demand in 2040 will be between 78 million barrels a day and 116 million barrels a day. We currently use over 90 million barrels a day. It is important to note that as we think about the move towards renewables and different forms of energy generation, but by 2040, even if we have a huge number of renewables, we will still see a massive demand for oil and gas across the world. Oil and gas will still need to be produced in order to support the economies of the world. It is vital that we ensure that the UK continues to be involved in that and to benefit financially from it.

**George Kerevan** (East Lothian) (SNP): On that point, is my hon. Friend aware that more than half of the oil supply and support companies in the UK are located in England, and that the amendment affects all oil companies across the UK, not just in Scotland?

**Kirsty Blackman:** I appreciate that point. I was not aware of the numbers. However, from talking to colleagues across the House who have been very supportive of companies and industries in their constituencies, it is clear that the number of companies is substantial. We are discussing UK spend and, whether we like it or not, we are part of the UK, and the tax changes will help all the companies in the oil and gas industry throughout the UK, whether they are in Aberdeen, Wales or the south of England.

The Oil and Gas Authority has been very good at talking positively about UK supply chain spend, which is one of the most vital aspects. Although I have talked about energy demand and oil and gas demand out to 2040, we will see, at some point, a reduction in the amount of oil and gas being produced by the UK. It is key to note that we are world leaders in terms of our oil and gas expertise. We are very good at what we do, and we are respected across the world. In sub-sea technology, for example, we are 20 years ahead of America. America has not done very much when it comes to Gulf of Mexico extraction. We will be there teaching the Americans how to use sub-sea technology and exporting that technology to them. Even when the oil and gas in the UK eventually run out, we will see that our expertise is able to be exported. It is really important that the Government act now to ensure that we keep that expertise base and do not lose it in the current downturn.

7.30 pm

**Rob Marris:** Is the hon. Lady saying to the House, then, that the Scottish National party’s position is to export the expertise of the Scottish hydrocarbon industry so that we can have more and more carbon dioxide going into the environment from fossil fuels because, for example, the Gulf of Mexico is producing more with Scottish expertise? If so, she is running counter to the direction of the world in the Paris talks.
Kirsty Blackman: The hon. Gentleman should listen to what I said. Statoil’s “Energy Perspectives” report reckons that even if we have a huge push towards renewable technologies and towards reducing carbon emissions, we will still need between 78 million and 116 million barrels of oil a day—and that is while taking on board, and increasing, the very best of these technologies. We will still continue to need, for example, road surfaces that are made from heavy oil. We will still continue to need these things, so we will always need oil, or at least for a long way into the future until we come up with credible alternatives. It is not just about energy or about electricity generation; it is about all the different things that we use oil for, including plastics.

It is very important to make sure that we have a great future in exporting. I have never been to Houston, but I am told that one cannot go there without hearing an Aberdeen accent. That is because we have the links and we send our experts over there, and those experts are making money for companies here by whom they are still employed. They are devising the technology that is being spent on and used in America and in other places across the world. In the North sea, we are operating in a super-mature field. This is one of the first fields in the world that is reaching that super-mature status. We have a proud history of exporting, getting incredibly good at what we do and teaching the rest of the world how to do it.

We also have a proud history of being respected around the world. Our oil and gas industry is respected throughout the world. If you say to somebody in an oil company in a different country, “This technology is used in the UKCS in the North sea”, it is automatically seen as a gold standard that is recognised around the world. In order for us to continue to generate tax revenues from this and to sustain jobs, we need to make sure that our companies have enough cash to innovate. Although the Government have been vaguely supportive in what they have done, they have not been supportive enough. Companies are still struggling to get venture capital and assistance from banks. I am aware that Ministers have spoken to banks, but it is still not enough. The confidence is still not there to the degree that we need it to be.

As I said, we are one of the first countries operating in this super-mature situation. What we really need now is a review of the taxes across the oil and gas industry. The system was devised many years ago in a totally different situation. It has had bits lumped on and bits lopped off, but it has never been looked at as a whole, and that is what we need to do now. I strongly urge the Minister to have a look at the entire tax regime for the oil and gas industry so that it can have a better future.

Mark Field (Cities of London and Westminster) (Con): The hon. Member for Aberdeen North (Kirsty Blackman) will be glad to know that she can also come to my constituency and hear a few Aberdonian accents from time to time, without having to go out to the middle of Texas.

I have a lot of sympathy for the situation that the hon. Lady finds herself in. Inevitably, there has been a lot of tinkering with tax rates in oil and gas. In my 15 years in the House, it has seemed that barely a year goes by without many paragraphs of any Finance Bill being part and parcel of this. Clearly, we are not yet to know whether the gas price and oil price will be stabilised at $50 to $60 a barrel or will go in different directions. I am sure that the Treasury has this whole issue under constant review.

Philip Boswell: Many believe that the oil and gas industry has been adversely affected by Brexit. Earlier this year, I asked the Chancellor, in his first Treasury questions, when the people of the UK could get an insight into the scale of capital flight following Brexit. He replied: “a series of data publications during the late summer and autumn will inform a proper response at the autumn statement.”—[Official Report, 19 July 2016; Vol. 613, c. 664] Many other hon. Members in this House asked similar questions to which the Chancellor gave a similar answer—that all will be revealed in the autumn statement. Does the right hon. Gentleman agree that the Chancellor, having now had a few months to think about it, should at least furnish us with the date of the coming autumn statement?

Mark Field: I suspect we all know that the autumn statement will be coming up at some point in late November or early December, if precedent is anything to go by. As someone who was also very firmly in favour of Britain remaining in the European Union, I say to the hon. Gentleman that we have to make Brexit work, and this will take time. I understand the frustration of many who would like to see the Government put forward a template on these matters today, but I think they are right to recognise that we have to play our cards close to our chest. This is a diplomatic process that will take some considerable time. One of the great strengths that we have had as the United Kingdom in diplomatic affairs, going back many centuries, is the sense of being able to make something work for the interests of this country. We have to recognise what is going on in world affairs, whether in the oil and gas price or in prices in other areas. This is an incredibly volatile time, politically and economically, and the notion that we can have any direct template in place now, or indeed at any point during the course of this year, is wholly misleading.

Philip Boswell: The hon. Gentleman is being most gracious and I thank him for his time. The right hon. Member for Broxtowe (Anna Soubry) has mentioned real concerns expressed by the Japanese Government regarding the future of Britain remaining in the European Union, I say to the hon. Gentleman that we have to make Brexit work, and this will take time. I understand the frustration of many who would like to see the Government put forward a template on these matters today, but I think they are right to recognise that we have to play our cards close to our chest. This is a diplomatic process that will take some considerable time. One of the great strengths that we have had as the United Kingdom in diplomatic affairs, going back many centuries, is the sense of being able to make something work for the interests of this country. We have to recognise what is going on in world affairs, whether in the oil and gas price or in prices in other areas. This is an incredibly volatile time, politically and economically, and the notion that we can have any direct template in place now, or indeed at any point during the course of this year, is wholly misleading.

Mark Field: The hon. Gentleman is being most gracious and I thank him for his time. The right hon. Member for Broxtowe (Anna Soubry) has mentioned real concerns expressed by the Japanese Government regarding the future of Britain remaining in the European Union, I say to the hon. Gentleman that we have to make Brexit work, and this will take time. I understand the frustration of many who would like to see the Government put forward a template on these matters today, but I think they are right to recognise that we have to play our cards close to our chest. This is a diplomatic process that will take some considerable time. One of the great strengths that we have had as the United Kingdom in diplomatic affairs, going back many centuries, is the sense of being able to make something work for the interests of this country. We have to recognise what is going on in world affairs, whether in the oil and gas price or in prices in other areas. This is an incredibly volatile time, politically and economically, and the notion that we can have any direct template in place now, or indeed at any point during the course of this year, is wholly misleading.
months ahead we will begin to work on that. However, it is far too early, and it would be doing a disservice to all industries—oil and gas and others—that are so dependent on exports and on being global industries, with the expertise that they have across the globe, to be definitive about precisely what role Brexit has to play.

I wanted only to make a few brief comments on new clause 10 with regard to the patent box. I am sorry if I am moving slightly ahead of the observations of the hon. Member for Hayes and Harlington (John McDonnell) on this matter. There has perhaps been a danger that Governments of all political colours over the past decade or so have been rather too much in thrall to certain industries, whether financial services or the global internet technology industries. It is worth pointing out that the benefit—the very significant benefit—of the whole patent box plan that was put in place by the former Chancellor some years ago is that it has begun to enable intellectual property value to be quantified and used as collateral in many of the fast-growth companies in the technology sphere. It strikes me that the Treasury, any Treasury, will now need new sources of revenue to swell our collective coffers at a time when the deficits remain dangerously high. Indeed, in what might be regarded as normal peacetime conditions we have an unprecedentedly high rate of deficit.

I also think that it would be wise not to ignore the level of public anger at the wilful tax avoidance of a number of the digital disruptors that are potentially the beneficiaries of this patent box plan, and the influence of that on the western economies has at times been somewhat pernicious. The sobering truth is that the global technology and communications service providers’ stratospheric growth over the past two decades has been aided by their ability to avoid taxation. Whether it is Google, Uber, Facebook or Apple, to name but four, they have been able to squirrel away their profits in the most tax advantageous manner, and I hope that the Treasury will consider that, as well as issues around the patent box, not just in the next six months but in the years to come to ensure that we have a more equitable situation that will be accepted by the public at large.

I accept also that as regards creative industries and global technology players it would be wise to reflect that perhaps elements of this advantageous tax treatment, not just by the UK Government but by other Governments in the western world, have been the price for a cut in pre-tax profits of some $47.5 billion, on which it paid only $4.7 billion—some 9.9%—of tax, compared with group-wide income taxes of some $17.7 billion. That suggests that taxes on profits will not be the right way forward, particularly in those global industries where there is a risk that money can be squirreled aside. That said, it is important to say that the patent box, while purportedly and in some ways giving preferential treatment in this area at which we should look closely, has none the less brought some significant benefits.

One of the biggest problems that faces many internet businesses as they grow is the ability to quantify the value of their intellectual property rights. In many ways, failure to do that means that they do not get the opportunity to collateralise their book value to be able to borrow for the future. The patent box has made some successes in this regard.

I apologise for jumping the gun, as I know that we are slightly more interested in hearing the justification from the Opposition for their new clause 10. I do not feel that it would be the right way forward at the moment, but there are some important debates we need to have not just on the workings of the patent box-type legislation but on ensuring that we have a level playing field and a system that—more importantly—is understood and supported by the general public. Nothing has been more damaging for many of the big internet and technology service providers than the slew of bad headlines over the past few years about their avoidance of tax. In these difficult economic times, in particular, that is something that we can ill afford in this country.

7.45 pm

Greg Mulholland (Leeds North West) (LD): I can worry the right hon. Member for Cities of London and Westminster (Mark Field) a little more by telling him that there was a “Hear, hear” from these Benches as well—[Interruption.] Members will be surprised at how loud we can be, and they will see that in the coming months and years.

It is absolutely time to have the debate about the best way to tax our businesses and to do what the Government claim they are doing—but are actually insufficiently doing through the changes to corporation tax—and support business in this country better through taxation that works but that also recognises and incentivises business.

Amendment 177 is a probing amendment that would sweep away corporation tax altogether and is intended to try to trigger that debate, which we should be having as a country. The reality is that the Government continue to argue that a cut in corporation tax will somehow boost growth, but the evidence for a cut below 20% is simply not there. The Government are failing to ask whether corporation tax actually works.

As the right hon. Member for Cities of London and Westminster has said, it is only a matter of time before we hear the next scandal of a company managing to
avoid paying corporation tax. Last week, it was Apple’s deal with Ireland, a few months before it was Google, before that it was Facebook and before that it was Amazon. Even the Labour party got into hot water for having managed to offset profits to reduce their corporation tax bill, so surely Government Members will recognise that there is an issue.

We have endless arguments about the morality of some of these large multinational corporations and how they operate. There is often outrage—sometimes faux outrage—in this place, but that is not good enough and it will not deal with the problem. We must also accept that while the Government are making unnecessary and damaging cuts to HMRC, it makes it harder to challenge these companies that are testing the limits of the law.

There is an underlying unwillingness to address corporation tax and its fitness for purpose regarding the reality of multinational corporations in the 21st century. As Martin Sorrell, the chief executive of WPP, said in 2013 during the Starbucks corporation tax scandal, for many multinational companies whether to pay corporation tax is simply a “question of judgment”, something to be decided according to PR perception and perhaps their own corporate social responsibility policies but not something decided by Her Majesty’s Revenue and Customs as it surely should be.

As the right hon. Member for Cities of London and Westminster made clear, this is not and should not be seen in any way as a left or right issue. It is an issue of practicality. Last week in the Telegraph, Allister Heath published a piece entitled “The Apple fiasco shows why corporation tax is an outdated anachronism”. As the right hon. Gentleman has already said, Lord Lawson famously called for corporation tax to be a tax on revenue rather than profit. There are flaws with that but at least he was seeking to challenge the status quo, which is surely outdated. On the other side of the spectrum, The Guardian, Oxfam and the excellent Tax Justice Network have all rightly highlighted the ease with which multinationals can avoid corporation tax altogether.

There are ways in which we could better support business and could have a tax system that works. Businesses of all sizes are crying out for changes in the tax system. I know many businesses that say that the first thing they would like to see reformed is business rates and the second is VAT. There are industries that provide a huge amount to the British economy and pay a significant amount of tax that are not being listened to because they are not large corporations. For example, a change to VAT would have a much greater impact on the tourism and hospitality industries than tinkering with corporation tax in an attempt to grab headlines for being supposedly supporting business.

As the right hon. Gentleman has said, there is no obvious solution, but surely it is time to find a solution to properly, fairly and sensibly tax businesses in the 21st century. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has already appointed Sir Vince Cable, the former distinguished Business Secretary, to lead a review of corporation tax and business rates for my party. That will make a contribution to the debate. Instead of claiming that the Government are standing up for business, surely it is time to acknowledge that yet more cuts to corporation tax over the next year will not truly deliver and will not deal with the reality, which is that we are not collecting tax efficiently from companies that are now run in a very different way.

Rebecca Long Bailey (Salford and Eccles) (Lab): I rise to speak to amendment 162 and new clauses 10 and 11, which stand in my name and those of my hon. Friends the Members for Hayes and Harlington (John McDonnell) and for Bootle (Peter Dowd). I also support new clause 5, which has been explained articulately by the hon. Member for Aberdeen North (Kirsty Blackman), and confirm the Opposition’s support for amendment 177, which has just been spoken to articulately by the hon. Member for Leeds North West (Greg Mulholland).

Amendment 162 would remove clause 45 from the Bill, thereby halting the Government’s cut to the rate of corporation tax to 17% by 2020. The Government claim that cutting the corporation tax rate would make Britain even more attractive to inward investors and more competitive, and that it would support growth and investment. I would be grateful if the Minister elaborated on the evidential basis for those claims.

We all know the theory that states that if we cut tax on profits there is more cash for companies to invest in expansion, research and development and labour, and, theoretically, we become more attractive to foreign businesses. The problem is that, somewhere in the development of that theory, the Chancellor forgot to check the reality, as the figures do not support that age-old Conservative mantra.

Figures provided by the House of Commons Library show that in 1998 business investment as a percentage of GDP was 10.8%, and that in 2000 it was 10.6%. The rate of corporation tax in those years was 31% and 30% respectively. In 2015, business investment as a percentage of GDP was 9.7% and the rate of corporation tax was considerably lower than that in 2000, at 20%. Why, therefore, were businesses not in a state of investment frenzy in 2015, if, indeed, slashing corporation tax is a golden ticket to investment? Of course, I appreciate that there are many factors that affect the level of business investment in the economy, but a comparison of the figures seems to suggest that a lower rate of corporation tax does not correlate with a higher level of business investment.

Let us look at a different variable, namely foreign direct investment. The level of FDI in the UK has been steadily falling since 2005; there have been a few anomalies along the way, but the trend is most definitely downwards. That has coincided with a steady reduction in the rate of corporation tax. In 2005 the level of FDI flows into the UK was £96.8 billion and corporation tax was 30%. In 2014 FDI was £27.8 billion and corporation tax was 21%. Again, there could be many factors at play, but the figures demonstrate that there is no strong correlation between low rates of corporation tax and higher rates of investment and FDI.

I appreciate that, to a degree, low corporation tax rates may attract some companies to locate here, because they will want to pay less tax, but attracting them to truly invest in the development of industry here, as well as encouraging our UK companies to flourish, is another matter entirely, and that requires much more than just a tax break.
According to the Government’s own analysis, this cut is expected to cost the Exchequer almost £1 billion in 2020-21, in addition to the £2.5 billion cost in the same financial year of cutting corporation tax to 19% from 2017. The Institute for Fiscal Studies has also calculated that the Government’s cuts to corporation tax have cost £10.8 billion a year. That gives rise to the question of whether the money could be better spent to incentivise much-needed investment in the UK. The Minister will not be surprised to hear that the Opposition most definitely think it could.

Many businesses already have cash. The House of Commons Library has provided figures showing that the total amount of currency and deposits, or cash reserves, held by non-financial companies in the private sector is currently at a 20-year high, at £581 billion. The problem, then, is not that businesses need more cash, but that other factors in our economy need improvement, including skills, infrastructure, innovation and productivity.

The £10.8 billion estimated by the IFS is a large sum that would be better invested in filling the gaps in our economy that are failing business. We should not be engaging in a race to the bottom to become the world’s next big immoral tax haven, but providing the building blocks to make business actually succeed, and with that comes more revenue in taxes as businesses flourish and well-paid jobs are created.

The Minister would do well to take notes at this point, because Labour has committed to such investment, through a national investment bank and the bank of the north, to address specifically those areas left behind after decades of regional decline. Our national and regional development banks would help unlock £500 billion of investment and lending to small and medium-sized enterprises, including £250 billion of capital investment in the infrastructure that we urgently need and to help prevent economic slowdown. The regional focus of development banks would enable the Government to make sure that investment and lending is spread around the country, not just siphoned into the south, and that it benefits from local knowledge and expertise, thus ensuring that no area in Britain is left behind. Our bank of the north would also unlock the potential of the north of England, with a push to deliver the sort of infrastructure and investment that it has been deprived of for far too long.

We have also committed to ensuring that our workforce have the skills that business needs in a modern economy, through reinstating the education maintenance allowance and maintenance grants for poorer students, which would be funded by a corporation tax rate of 21%. That is the kind of intervention businesses are looking for—policies with a substantive impact on a company’s ability to do and develop business, not simply cuts to the headline rate of corporation tax.

The cut to corporation tax brought about by clause 45 is not the best use of public money to support businesses in the UK. I urge hon. Members on both sides of the House to join us in the Lobby to vote in favour of amendment 162.

The right hon. Member for Cities of London and Westminster (Mark Field) made some fantastic comments earlier on new clause 10, which relates to the patent box. The new clause would require the Chancellor to publish an independent review of the efficacy and value for money of the patent box legislation. The report would have to make an assessment of, first, the size and nature of the companies taking advantage of the patent box legislation; secondly, the impact of the patent box legislation for research and innovation in the UK, including supporting evidence; and, thirdly, the cost-effectiveness of the patent box legislation in incentivising research and development compared with other policy options. My hon. Friends and I are, of course, supportive of Government action to incentivise R and D, but we are not convinced that the patent box legislation has been efficient thus far in achieving that. We are not alone. Many commentators criticised the patent box, even before its introduction in 2012. The IFS has stated that the “Patent Box is poorly targeted at research as the policy targets the income which results from patented technology, not the research itself...to the extent that a Patent Box reduces the tax rate for activities that would have occurred in the absence of government intervention, the policy includes a large deadweight cost.”

8 pm

Furthermore, respected economist Mariana Mazzucato, who strongly believes in Government intervention to support R and D, made the rather damning assessment that the patent box is a “scam with no effect on innovation”.

Let me be very clear. The Labour party wants to incentivise research and development—indeed, my hon. Friend the shadow Chancellor has repeatedly called for more intervention in this area—but we are not convinced that the patent box is the most effective way of doing so. The patent box costs the Exchequer approximately £1 billion a year, and there has been no evidence from the Government that I am aware of to demonstrate its effectiveness. If the Minister were able to provide details of any such evidence, I would be most grateful.

Interestingly, a new study from King’s College London and the Medical Research Council shows that every £1 extra spent on public medical research, long-run private research increases by 99p. So an increase in public medical funding by £500 million—half the cost of the patent box—would boost private medical research by another £499 million. That compares quite staggeringly to the so called dead-weight loss of the patent box. That is interesting research; I am sure the Minister will agree.

I will not divide the House on new clause 10 today, but I hope that the Minister will agree that an independent assessment of the efficacy of the patent box with an examination of other policy options would clarify, for both the Government and the Opposition, the best way to achieve our shared goal.

I move on to new clause 11, which would require the Government to review the regulation of the taxation of securitisation companies in the UK. We do not oppose the Government’s proposals in the Bill in relation to the power to make regulations about the taxation of securitisation companies. However, we do think it timely for the Government to conduct a review in relation to current regulation present in the industry, so that any loopholes and destructive practices can be eradicated.

I am sure hon. Members know that the non-existent regulation of securitisation structures magnified a medium-sized crisis in the US real estate market into a fully-fledged banking crisis by 2008. There is real worry, in all parts of the House, that it has been a case of history repeating itself as usual for our banking sector, and that the lessons learned from the 2008 crash—if indeed any were learned at all—have long been forgotten.
We heard earlier this year of a surge in the credit default swaps market, where there has been large-scale repackaging and rebranding of the potentially toxic securitisation products that arguably caused the crisis—a crisis, I must add, that was not truly paid for by the banking sector and financial operators who caused it. No, it was shored up on the backs of the people of this country, and, worst of all, on the backs of the poor and vulnerable. Furthermore, it was used as an excuse by this Government to slash and burn our public services.

Securitisation structures operate by transferring assets—sub-prime mortgages, credit card receivables or similar cash flows—into off-balance-sheet special purpose vehicles. Usually, the profits or cash flows received from those assets pass through the special purpose vehicle to the investors who have acquired bonds in that special purpose vehicle. The residual amounts that are left in the special purpose vehicle are small compared with the sums that are paid through to the investors. However, as with all such artificial financial structures, it is possible to manipulate those amounts for tax purposes. Indeed, credit default swaps, which are the most famous of the securitisation family, are deliberately flexible so as to manipulate the tax outcome. If we do not regulate the sector carefully now, we will quite simply become the drain through which the world will launder its dirty transactions. Especially now, we will quite simply become the drain through which tax outcome.

Mark Field: I think there has been some misunderstanding about exactly what the patent box was designed to do. It was not designed solely to promote research and development, as many similar incentives that come through, year on year, in Budgets are designed to do. It was very much an attempt to incentivise companies at the second stage—in other words, companies that already had some intellectual property that was difficult to quantify—as opposed to directly at the research and development side. I think it is slightly unfair to suggest that there is no evidence that that has worked, and I think that the patent box is being looked at in a different light to that which was intended by those who put it into play.

Rob Marris: I agree that it is designed to help some companies in their early stages, but with the effluxion of time, those companies should pass through the pipeline and we should see the fruit of their endeavours, helped indirectly by taxpayer support. The evidence should be coming through now. We could not have looked after one year to see whether it had been effective, but now that it has been around for a few years, we can.

I move on to amendment 177. I was amazed to hear the right hon. Gentleman say that he would be prepared to examine the question of having a turnover tax instead of corporation tax. The hon. Member for Leeds North West (Greg Mulholland) said the same thing. I absolutely agree, and I have long advocated looking at that, precisely because of tax avoidance. If it turns out to be the case that Apple has been avoiding tax in the United Kingdom, it would not have been able to do that so successfully if we had had a turnover tax rather than a corporation tax.

I have to say to the hon. Member for Leeds North West that I am a bit bemused. He said tonight that the leader of his party had set up a review of corporation tax, but the leader of his party has also tabled amendment 177—supported, as far as I can tell, by the hon. Gentleman—which would abolish corporation tax completely for the financial year 2017, without bringing in a turnover tax instead. It seems a very strange amendment to table.

Greg Mulholland: As I think I made clear, amendment 177 is a probing amendment, which is designed entirely to make that point. We share the view that the reduction of corporation tax is flawed, but through this amendment we are saying that it needs to be done in a better way. It is a probing amendment and we will not be voting on it, but it is time that we had that debate and put something better in place.

Rob Marris: It is a strange way to do a probing amendment. I am not saying that it is wrong; that is not for me to say. However, it is common for the Opposition to table new clauses or amendments—as with those that we are considering tonight, such as new clause 10—that are designed to produce evidence. Presumably, the hon. Gentleman’s party will be looking at such evidence in its review. If the House could produce that evidence, it would speed up the process and help all of us towards evidence-based policy making.

On new clause 5, interestingly, I think that the Scottish National party reveals its hand: it is not much concerned about greenhouse gas emissions from oil production, let alone from burning oil. We saw the same thing last year in the debate on air passenger duty, when the SNP was all in favour of loads more people flying, despite what it does to the environment. The tenor of the remarks made by the hon. Member for Aberdeen North (Kirsty Blackman) was that she wants the taxation of oil and gas cut. Essentially, she is advocating indirectly, yet again, for another bung for Scotland from English taxpayers. The SNP Government have the power to put up taxes in Scotland and fail to do so, but they want English taxpayers to give them a bigger bung.
Kirsty Blackman: The hon. Gentleman may have heard my hon. Friend the Member for East Lothian (George Kerevan) say that 50% of the supply chain companies that would be affected are actually based south of the border. This would benefit companies across the UK. The Scottish Government have been incredibly good at reaching their climate change targets. They have worked very hard on renewable electricity. The only problem is that the Conservative Government are getting in our way.

Rob Marris: I did hear the hon. Gentleman say that, and I also heard the hon. Lady say, when she was moving new clause 5, that she did not even realise that that was the case. Paradoxically for them, I support the new clause and I hope it is agreed to. It looks attractive to me because such a review could lead to a situation in which taxation on oil and gas is increased appropriately. We will not know until we have the evidence, so let us have the review.

The Financial Secretary to the Treasury (Jane Ellison): I will start by responding to the Opposition's amendments and new clauses, before I turn briefly to those tabled by the Government.

Amendment 162 would require the Government to remove clause 45 from the Bill. That would stop the cut in corporation tax going ahead, because the clause will cut the rate of corporation tax to 17% with effect from 1 April 2020. Lower corporation tax rates enable businesses to increase investment. We cannot agree with the hon. Member for Salford and Eccles (Rebecca Long Bailey), who speaks for the Opposition on this matter. Lower rates enable businesses to take on new staff, increase wages or reduce prices. That is borne out by receipts data. The House may be interested to know that onshore corporation tax receipts have risen by more than 20% since 2010, despite the lowering of 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. The modelling suggests that the cuts could increase long-run GDP by more than 1%, or almost £24 billion in today's prices.

The hon. Lady asked whether business investment has grown. It has increased by 30% since 2010. She mentioned foreign direct investment. In fact, only last week, the Department for International Trade reported a record number of inward investment projects in 2015-16, with over 80,000 new jobs created by more than 2,000 FDI projects. Again, we cannot agree with her criticism.

George Kerevan: The Minister mentions that the Treasury has modelled the impact of tax cuts. Is this the same Treasury model that predicted the collapse of the UK economy in the hours after Brexit?

Jane Ellison: Given the SNP's track record on predicting the oil price, the hon. Gentleman should think carefully before digging—

Kirsty Blackman: Will the Minister give way?

Jane Ellison: No, I will continue because I want to move on to the points made by the hon. Member for Salford and Eccles.

On amendment 177, I note the comments made by the hon. Member for Wolverhampton South West (Rob Marris). He was quite correct in his analysis of what the amendment would do. I accept the point made by the hon. Member for Leeds North West (Greg Mulholland) that it is a probing amendment, but it would indeed cancel the charge for corporation tax in the 2017-18 financial year, depriving the Government of over £45 billion of corporation tax receipts in that year alone. I of course take the point that he wants support for small business and so on, but we are doing a great deal—for example, the business rates package, which will come into effect next spring. For fairly obvious reasons, we cannot support such a loss to the Exchequer.

New clause 5 was tabled by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), but moved by the hon. Member for Aberdeen North (Kirsty Blackman). It calls on the Government to publish a review of corporation tax rates and investment allowances applicable to oil and gas-producing companies in the UK. The UK Government remain 100% behind the oil and gas sector and the thousands of workers and families it supports, but a further review into oil and gas taxes would not serve any useful purpose at this time because the Government have recently carried out such an exercise. In 2014, the Government published “Driving investment: a plan to reform the oil and gas fiscal regime”. It set out the Government’s long-term plan to ensure that the fiscal regime continues to support the objective of maximising the economic recovery of oil and gas, while ensuring a fair return on those resources for the nation. The Government have remained consistent in their approach.

8.15 pm

Callum McCaig (Aberdeen South) (SNP): One of the things to support the oil and gas industry that the Government have talked about is offering loan guarantees to companies experiencing financial stress. Will the Minister tell the House how that process is going and how many companies have received loan guarantees?

Jane Ellison: That issue was explored in some detail in Committee, so I will not respond on it now.

I want to make the important point that the changes introduced by the Finance Bill will provide the right conditions to maximise the economic recovery of the UK’s oil and gas resources by lowering sector-specific tax rates, updating the current system of allowances and expanding the types of activity that can generate financial relief. Another important point often stated—indeed, it has been made by many people who work in the sector and by investors in it—is that stability and certainty in the tax regime are major factors in making investment decisions. For that reason, we do not think it is right to have another review. Such a review could create further uncertainty at a time when it is not right for the industry, and it could delay investment. I therefore urge Members to reject new clause 5.

Kirsty Blackman: Will the Minister give way?

Jane Ellison: No. I am sorry, but I want to move on to new clause 11, tabled by the hon. Member for Salford and Eccles. It proposes an independent review into the efficacy of the taxation of securitisation companies.
The Government do not consider that necessary. Regulations introduced under a Labour Government in 2006 applied specific corporation tax rules to the profits of securitisation companies. The regulations contain several anti-avoidance tests. As announced in the Budget, HMRC is reviewing these regulations to reflect recent changes to accounting standards and market developments. A consultative working group, made up of independent professional advisers specialising in securitisations, HM Treasury officials and HMRC technical specialists, has met four times since September 2015 and is looking carefully at a range of issues. Revised regulations developed with the group are expected to be published in draft for public consultation later this year or early next year. As this review is already under way, a further assessment is not required.

On Government amendments 152 and 153, clause 63 and schedule 9 make changes to ensure that the patent box operates in line with the newly agreed international framework resulting from the OECD’s base erosion and profit shifting action plan. As currently drafted, the changes in the Bill could result in different definitions of the term “qualifying residual profit” applying to the same parts of the patent box legislation. The amendments address that problem by providing a coherent and consistent definition for that phrase.

I will comment briefly on Opposition new clause 10. The new clause would require the Chancellor of the Exchequer to publish within six months of the passing of the Bill an independent report giving an assessment of the value for money and efficacy of the patent box. The Government do not support the new clause. We only now have full data for the first year of the patent box, and as such the report required by the new clause would not take into account the revisions to the regime made by the Bill. The proposed one-off publication would also fall short of the plans the Government already have in place to publish annual official statistics on the patent box.

The hon. Lady mentioned that she wished to see more evidence of the impact of the patent box. It is worth noting that, for example, GSK recently attributed a £275 million investment to the UK’s competitive tax regime and specifically mentioned the patent box as a reason to invest.

A number of Government amendments have been tabled to clause 65 and schedule 10, which legislate to counteract avoidance involving hybrid mismatches. The amendments make changes to the legislation to ensure that it works as intended and does not create unintended impacts in terms of its interaction with other areas of the UK tax system. The amendments are necessary to secure the forecast yield from the measures.

My right hon. Friend the Member for Cities of London and Westminster (Mark Field) made a typically thoughtful intervention. He mentioned turnover tax versus profits tax— I suspect that is a theme to which he might return. It is worth noting that a turnover tax can produce unfair outcomes, such as penalising businesses that make a loss and those in competitive markets. As I say, I am sure it is an issue to which he may well return.

The Government are committed to making our tax system fundamentally fair, ensuring that people and businesses pay what they owe and contribute to our nation’s success. I therefore once again urge the House to reject the amendments and new clauses tabled by the Opposition.

Kirsty Blackman: I will press new clause 5 to a vote.

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

The House divided: Ayes 249, Noes 304.

Division No. 53

AYES

[8.21 pm]

Abbott, Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Allin-Khan, Dr Rosena
Anderson, Mr David
Akrless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
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, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgeon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Chwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Coyle, Neil
Crawley, Angela
Creagh, Mary
Cressy, Stellas
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debbonaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrell, Paul
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fiello, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendy, Drew
Hepburn, Mr Stephen
Hillier, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Hussain, Imran
Johnson, Diana

[Jane Ellison]
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lewell-Buck, Mrs Emma
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Mr Angus Brendan
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McGarry, Conor
McDonald, Ian C.
McDonald, Stewart Malcolm
McDonnell, John
McDonagh, Siobhain
McDonald, Andy
McDonald, Andy
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Mealing, Sir Alan
Meams, Ian
Miliband, rh Edward
Monaghan, Carol
Morden, Jessica
Muholland, Greg
Mullin, Roger
Muller, Michael
Murry, Ian
Nandy, Lisa
Newlands, Gavin
Nicholson, John
O'Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Paterson, Steven
Peace, Teresa
Pennycott, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Reed, Mr Steve
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Miss Margaret
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Sheriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Jeff
Smith, Nick
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewiss, Alison
Thomas-Symonds, Nick
Thomson, Michelle
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mike
West, Catherine
Whiteford, Dr Eithid
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Wright, Mr Iain
Zeichner, Daniel

**Tellers for the Ayes:**
Marion Fellows and Owen Thompson

**NOES**
Adams, Nigel
Afrinjie, Adam
Aldous, Peter
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beresford, Sir Paul
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Carmichael, Neil
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehaman
Chope, Mr Christopher
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
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Dinnenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donelan, Michelle
Dorries, Nadine
Double, Steve
Downen, Oliver
Dowden, Oliver
Drayle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Dudbridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Torn
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evetts, rh Mr David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frasco, rh Mr Mark
Frazer, Lucy
Freer, Mike
Fysh, Marcus
Garnier, Mark
Gauke, rh Mr David
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
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
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, rh Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jenkins, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
5 SEPTEMBER 2016

Finance Bill

Clause 45

RATE OF CORPORATION TAX FOR FINANCIAL YEAR 2020

Amendment proposed: 162, page 87, line 8, leave out clause 45.—(Rebecca Long Bailey.)

The House divided: Ayes 252, Noes 309.

Division No. 54] [8.36 pm

AYES

Creagh, Mary
Creasy, Stella
Craddes, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debbinaires, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efferd, Clive
Ellicott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fiocco, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Foxvargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glin, Mary
Godsiff, Mr Roger
Goodman, Helen

Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
Mark Spencer and
Graham Stuart

Question accordingly negatived.

 выбранный текст из файла в формате plain text.
Grady, Patrick  
Grant, Peter  
Green, Kate  
Greenwood, Lilian  
Greenwood, Margaret  
Griffiths, Nia  
Gwynne, Andrew  
Haigh, Louise  
Hamilton, Fabian  
Hanson, rh Mr David  
Harman, rh Ms Harriet  
Harris, Carolyn  
Hayes, Helen  
Healey, rh John  
Hendry, Drew  
Hepburn, Mr Stephen  
Hillier, Meg  
Hodge, rh Dame Margaret  
Hodgson, Mrs Sharon  
Hoey, Kate  
Hollern, Kate  
Hopkins, Kelvin  
Hosie, Stewart  
Hunt, Tristram  
Hussain, Imran  
Johnson, rh Alan  
Johnson, Diana  
Jones, Gerald  
Jones, Graham  
Jones, Helen  
Jones, Mr Kevin  
Jones, Susan Elan  
Keeley, Barbara  
Kendall, Liz  
Kerevan, George  
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  
Lucas, Ian C.  
Lynch, Holly  
MacNeil, Mr Angus Brendan  
Mactaggart, rh Fiona  
Madders, Justin  
Mahmood, Mr Khalid  
Mahmood, Shabana  
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, Stewart Malcolm  
McDonald, Stuart C.  
McDonnell, John  
McFadden, rh Mr Pat  
McGarry, Natalie  
McGinn, Conor  
McGovern, Alison  
McInnes, Liz  
McKinnell, Catherine  
McLaughlin, Anne  
McMahon, Jim  
Meale, Sir Alan  
Mearns, Ian  
Miliband, rh Edward  
Monaghan, Carol  
Morden, Jessica  
Mulholland, Greg  
Mullin, Roger  
Murray, Ian  
Nandy, Lisa  
Newlands, Gavin  
Nicolson, John  
O'Hara, Brendan  
Om, Melanie  
Onurah, Chi  
Osamor, Kate  
Paterson, Steven  
Pearce, Teresa  
Pennycook, Matthew  
Perkins, Toby  
Phillips, Jess  
Phillipson, Bridget  
Pound, Stephen  
Powell, Lucy  
Pugh, John  
Qureshi, Yasmin  
Rayner, Angela  
Reed, Mr Steve  
Reeves, Rachel  
Reynolds, Emma  
Reynolds, Jonathan  
Rimmer, Marie  
Ritchie, Ms Margaret  
Rotheram, Steve  
Ryan, rh Joao  
Saville Roberts, Liz  
Sheerman, Mr Barry  
Sheppard, Tommy  
Sherriff, Paula  
Shuker, Mr Gavin  
Siddiq, Tulip  
Skinner, Mr Dennis  
Slaughter, Andy  
Smeth, Ruth  
Smith, rh Mr Andrew  
Smith, Angela  
Smith, Nick  
Smyth, Karin  
Spellar, rh Mr John  
Starmer, Keir  
Stephens, Chris  
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  
Umunna, Mr Chuka  
Vaz, Valerie  
Weir, Mark  
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  

Tellers for the Ayes:  
Sue Hayman and  
Jeff Smith

NOES  
Davies, Dr James  
Davies, Mims  
Davies, rh Mr David  
Dinenage, Caroline  
Djanogly, rh Mr Jonathan  
Dodd, rh Mr Nigel  
Donelan, Michelle  
Dorries, Nadine  
Double, Steve  
Dowden, Oliver  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Dudtridge, 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, rh Mr Nigel  
Evnett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frances, rh Mr Mark  
Frazer, Lucy  
Freer, Mike  
Fuller, Richard  
Fysh, Marcus  
Garner, rh Sir Edward  
Garnier, Mark  
Gauke, rh Mr David  
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, rh Ben  
Gyimah, Mr Sam  
Halford, rh Robert  
Hall, Luke  
Hammond, Stephen  
Hancock, rh Matt  
Hands, rh Greg
Question accordingly negatived.

Schedule 9

PROFITS FROM THE EXPLOITATION OF PATENTS ETC: CONSEQUENTIAL

Amendments made: 152, page 391, leave out lines 20 to 22 and insert—
23 (1) Section 357GE (other interpretation) is amended as follows.

(2) In subsection (1)—
(a) at the appropriate place insert—
“‘payment’ includes payment in money’s worth.,” and
(b) omit the definition of “qualifying residual profit”.

(3) After subsection (1) insert—
(A) In Chapters 3 and 4 of this Part “qualifying residual profit” of a trade, in relation to any accounting period, is the amount obtained by the application of Steps 1 to 4 in section 357C or (as the case may be) section 357DA in relation to the trade for the accounting period.

Amendment 153, page 391, line 27, after “357A(11)”, insert—
153 (b) omit the definition of “qualifying residual profit of a trade (in Part 8A)”, in the left hand column, after “in” insert “Chapters 3 and 4 of”,—(Jane Ellison.)

Schedule 10

HYBRID AND OTHER MISMATCHES

Amendments made: 1, page 393, line 26, leave out “permanent establishment of a multinational company” and insert “multinational company’s permanent establishment in the United Kingdom”.

Amendment 2, page 402, line 24, at end insert—
’ (A) Section 259CBA contains definitions of certain terms used in section 259CB.”

Amendment 3, page 404, line 12, at end insert—
’ (2A) So far as the excess arises by reason of a relevant debt relief provision, it is to be taken not to arise by reason of the terms, or any other feature, of the financial instrument (whether or not it would have arisen by reason of the terms, or any other feature, of the financial instrument regardless of the relevant debt relief provision).”
Amendment 4, page 404, line 13, leave out “For” and insert
“Subject to that and subsection (6A), for”.

Amendment 5, page 404, line 15, after “well” insert
“as the terms, or any other feature, of the financial instrument”.

Amendment 6, page 404, line 22, leave out “subsection (4)” insert “subsections (4) and (4A)”.

Amendment 7, page 404, line 48, at end insert—
‘(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—
(a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
(b) section 690 of that Act (derivative contracts for unallowable purposes);
(c) Part 4 (transfer pricing);
(d) this Part;
(e) Part 7 (tax treatment of financing costs and income).’

Amendment 8, page 405, line 5, leave out “For” and insert
“Subject to subsection (6A), for”.

Amendment 9, page 405, line 6, at end insert
“as the terms, or any other feature, of the financial instrument”.

Amendment 10, page 405, line 9, at end insert—
(6A) For the purposes of this section disregard—
(a) any excess or part of an excess mentioned in subsection (2), and
(b) any under-taxed amount,
that arises as a result of a payee being a relevant investment fund (see section 259NZA).

Amendment 11, page 405, leave out lines 10 to 35.

Amendment 12, page 406, line 7, at end insert—
‘(1) See section 259CBA for the meaning of “permitted taxable period”, “relevant debt relief provision” and “under taxed”.’

Amendment 13, page 406, line 7, at end insert—
“259CBA Interpretation of section 259CB
(1) This section has effect for the purposes of section 259CB.
(2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—
(a) the period begins before the end of 12 months after the end of the payment period, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.

(3) Each of these is a “relevant debt relief provision”—
(a) section 322 of CTA 2009 (release of debts: cases where credits not required to be brought into account),
(b) section 357 of that Act (insolvent creditors),
(c) section 358 of that Act (exclusion of credits on release of connected companies’ debts: general),
(d) section 359 of that Act (exclusion of credits on release of connected companies’ debts during creditor’s insolvency),
(e) section 361C of that Act (the equity-for-debt exception),
(f) section 361D of that Act (corporate rescue: debt released shortly after acquisition), and
(g) section 362A of that Act (corporate rescue: debt released shortly after connection arises).

(4) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.

(5) The payee’s “full marginal rate” means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (4) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.

(6) A “credit for underlying tax” means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment.”

Amendment 14, page 407, line 42, at end insert—
‘(7) Section 259DCA contains definitions of certain terms used in section 259DC.’

Amendment 15, page 410, line 31, leave out “For” and insert
“Subject to subsection (8), for”.

Amendment 16, page 410, line 40, leave out “subsection (4)” and insert “subsections (4) and (4A)”.

Amendment 17, page 411, line 16, at end insert—
‘(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—
(a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
(b) Part 4 (transfer pricing);
(c) this Part;
(d) Part 7 (tax treatment of financing costs and income).’

Amendment 18, page 411, line 22, leave out “For” and insert
“Subject to subsection (8), for”.

Amendment 19, page 411, line 32, after “any” insert “excess of”

Amendment 20, page 411, line 35, at end insert
“or that arises as a result of a payee being a relevant investment fund (see section 259NZA).”

Amendment 21, page 411, line 36, leave out from beginning to end of line 12 on page 412.

Amendment 22, page 412, line 31, at end insert—
‘(7) See section 259DCA for the meaning of “permitted taxable period” and “under taxed”.

Amendment 23, page 412, line 31, at end insert—
“259DCA Interpretation of section 259DC
(1) This section has effect for the purposes of section 259DC.
(2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—
(a) the period begins before the end of 12 months after the end of the payment period, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.

(3) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.”
(4) The payee’s “full marginal rate” means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (3) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.

(5) A “credit for underlying tax” means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment. “

Amendment 24, page 412, line 43, leave out “not so treated for the purposes of tax charged on” and insert “brought into account by”.

Amendment 25, page 412, line 44, leave out “because that person brings the substitute payment into account”.

Amendment 26, page 417, leave out lines 21 to 32.

Amendment 27, page 418, line 15, after “income” insert “of the payer for an accounting period”.

Amendment 28, page 418, line 18, after “payer” insert “for that period”.

Amendment 29, page 418, line 20, after “payer” insert “for a permitted taxable period”.

Amendment 154, page 418, line 21, at end insert—

'( ) A taxable period of an investor is “permitted” for the purposes of paragraph (b) of subsection (4) if—

(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or

(b) where the period begins after that—

(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and

(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.’

Amendment 31, page 419, line 45, after “payer” insert “for a permitted taxable period”.

Amendment 155, page 419, line 47, at end insert—

'( ) A taxable period of an investor is “permitted” for the purposes of subsection (9) if—

(a) the period begins before the end of 12 months after the end of the payment period, or

(b) where the period begins after that—

(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and

(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.’

Amendment 33, page 420, line 8, leave out “permanent establishment of a multinational company” and insert “multinational company’s permanent establishment in the United Kingdom”.

Amendment 34, page 420, line 10, leave out from “counteracts” to “by” in line 11 and insert “such deductions”.

Amendment 35, page 420, line 15, leave out “, “the parent jurisdiction” and “the PE jurisdiction””, and insert “and “the parent jurisdiction””.

Amendment 36, page 420, line 19, leave out from “deduction” to end of line 23.

Amendment 37, page 420, line 28, leave out “D” and insert “C”.

Amendment 38, page 420, line 32, after “territory” insert “outside the United Kingdom”.

Amendment 39, page 420, leave out lines 34 to 37 and insert—

“(b) it is within the charge to corporation tax because it carries on a business in the United Kingdom through a permanent establishment in the United Kingdom.”

Amendment 40, page 420, line 39, leave out “under the law of the PE jurisdiction,”.

Amendment 41, page 421, line 3, leave out “a taxable period” and insert “an accounting period”.

Amendment 42, page 421, line 3, after “period”)” insert “for corporation tax purposes”.

Amendment 43, page 421, line 5, leave out “PE jurisdiction” and insert “United Kingdom”.

Amendment 44, page 421, line 8, after “for” insert “corporation”.

Amendment 45, page 421, leave out lines 14 to 22.

Amendment 46, page 421, line 23, leave out “D” and insert “C”.

Amendment 47, page 421, leave out lines 25 to 33 and insert—

“(a) the circumstances giving rise to the PE deduction will not result in—

(i) an increase in the taxable profits of the company for any permitted taxable period, or

(ii) a reduction of a loss made by the company for any permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, or

(b) those circumstances will result in such an increase or reduction for one or more permitted taxable periods, but the PE deduction exceeds the aggregate effect on taxable profits.

'(7A) “The aggregate effect on taxable profits” is the sum of—

(a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, and

(b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction.”

Amendment 48, page 421, leave out line 39 and insert “the aggregate effect on taxable profits.”

Amendment 49, page 421, line 40, leave out “subsection (7)” and insert “subsections (7) and (7A)”.

Amendment 50, page 421, line 46, leave out from beginning to end of line 3 on page 422 and insert—

(i) a claim has been made for the period to be a permitted period for the purposes of subsections (7) and (7A), and

(ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period.”

Amendment 51, page 422, leave out lines 4 to 7 and insert—

‘(10) Section 259FB contains provision for counteracting the excessive PE deduction.”
Amendment 52, page 422, line 9, leave out from “where the United Kingdom is the PE jurisdiction” and insert “of the excessive PE deduction”.
Amendment 53, page 422, leave out lines 10 and 11.
Amendment 54, page 422, line 24, after “income” insert “of the company for an accounting period”.
Amendment 55, page 422, line 26, after “company” insert “for that period”.
Amendment 56, page 422, line 28, after “company” insert “for a permitted taxable period”.
Amendment 57, page 422, line 29, at end insert—
‘(1) A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (4) if—
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
Amendment 58, page 422, line 30, leave out from beginning to end of line 31 on page 423.
Amendment 59, page 425, line 42, leave out from beginning to end of line 30 on page 426.
Amendment 60, page 422, line 29, at end insert—
‘(4A) A relevant amount of the excess is to be taken (so far as would not otherwise be the case) to arise as mentioned in subsection (1)(b) where—
(a) a payee is a hybrid entity,
(b) there is no territory—
(i) where that payee is resident for the purposes of a tax charged under the law of that territory, or
(ii) under the law of which ordinary income arises to that payee, by reason of the payment or quasi-payment, for the purposes of a tax that is charged on that payee by virtue of that payee having a permanent establishment in that territory, and
(c) no income arising to that payee, by reason of the payment or quasi-payment, is brought into account in calculating chargeable profits for the purposes of the CFC charge or a foreign CFC charge.
(4B) For the purposes of subsection (4A), the “relevant amount” of the excess is the lesser of—
(a) the amount of the excess, and
(b) an amount equal to the amount of ordinary income that it is reasonable to suppose would, by reason of the payment or quasi-payment, arise to the payee for corporation tax purposes, if—
(i) the payee were a company, and
(ii) the payment or quasi-payment were made in connection with a trade carried on by the payee in the United Kingdom through a permanent establishment in the United Kingdom.
(4C) In subsection (4A)(c) “chargeable profits”—
(a) in relation to the CFC charge, has the same meaning as in Part 3A (see section 371VA), and
(b) in relation to a foreign CFC charge, means the concept (by whatever name known) corresponding to chargeable profits within the meaning of that Part.”
Amendment 61, page 430, line 7, after “quasi-payments” insert “, where the payer is within the charge to corporation tax,”.
Amendment 62, page 430, line 10, leave out “or a payee”.
Amendment 63, page 430, leave out lines 19 to 25.
Amendment 64, page 431, line 7, leave out from “period” to end of line 10.
Amendment 65, page 431, leave out lines 38 to 43 and insert—
‘(11) Section 259HC contains provision for the counteraction of the multinational payee deduction/non-inclusion mismatch.”
Amendment 66, page 432, line 10, after “subsection (1)(b)” insert “—
(a) where the law of a PE jurisdiction in relation to a payee that is a multinational company makes no provision for charging tax on any companies, so much of the excess as arises as a result is to be taken not to arise by reason of that payee being a multinational company, but
(b) subject to that,”
Amendment 67, page 432, line 11, after “well” insert “as one or more payees being multinational companies”.
Amendment 68, page 432, line 27, leave out from “Counteraction” to end of line 28 and insert “of the multinational payee deduction/non-inclusion mismatch”. Amendment 69, page 432, leave out lines 29 and 30. Amendment 70, page 432, line 35, leave out from beginning to end of line 48 on page 433.
Amendment 71, page 436, line 27, after “is” insert “(in substance)”, Amendment 72, page 436, line 30, after “income” insert “of the investor for an accounting period”.
Amendment 73, page 436, line 38, after “income” insert “of the investor for an accounting period”.
Amendment 74, page 436, line 40, leave out “in the hybrid entity” and insert “for that period”.
Amendment 75, page 436, line 42, after “entity” insert “for a permitted taxable period”.
Amendment 76, page 436, line 43, at end insert—
‘(1) A taxable period of the hybrid entity is “permitted” for the purposes of paragraph (b) of subsection (8) if—
(a) the period begins before the end of 12 months after the end of the accounting period of the investor mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
Amendment 77, page 437, line 7, after “income” insert “of the hybrid entity for the hybrid entity deduction period”.
Amendment 78, page 437, line 25, after “income” insert “of the hybrid entity for the hybrid entity deduction period”.

Amendment 79, page 438, line 10, after “is” insert “(in substance)”.
Amendment 80, page 438, line 13, after “income” insert “of the hybrid entity for an accounting period”.
Amendment 81, page 438, line 21, after “income” insert “of the hybrid entity for an accounting period”.
Amendment 82, page 438, line 23, after “entity” insert “for that period”.
Amendment 83, page 438, line 25, after “entity” insert “for a permitted taxable period”.
Amendment 84, page 438, line 27, at end insert—
( ) A taxable period of an investor is “permitted” for the purposes of paragraph (b) of subsection (8) if—
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
Amendment 85, page 439, line 5, leave out from second “company” to end of line 7.
Amendment 86, page 439, line 7, at end insert—
( ) Section 259JBA contains provision that counteracts the mismatch where the company is a multinational company and the United Kingdom is the parent jurisdiction.”
Amendment 87, page 439, line 10, leave out “fully”.
Amendment 88, page 439, line 12, leave out “section 259JB” and insert “section 259JBA”.
Amendment 89, page 440, leave out lines 10 to 15 and insert—
“(b) The following provisions provide for the counteraction of the dual territory double deduction amount—
(a) section 259JB (cases where a company is dual resident),
(b) section 259JBA (cases where a company is a relevant multinational and the United Kingdom is the parent jurisdiction), and
(c) section 259JC (cases where a company is a relevant multinational, the United Kingdom is the PE jurisdiction and the amount is not counteracted in the parent jurisdiction).”
Amendment 90, page 440, line 18, leave out “or the UK is the parent jurisdiction”.
Amendment 91, page 440, line 20, leave out “as a result” and insert “by reason”.
Amendment 92, page 440, line 21, leave out from second “company” to end of line 24.
Amendment 93, page 440, line 39, leave out “or relevant multinational company”.
Amendment 94, page 440, line 45, leave out “or relevant multinational company”.
Amendment 95, page 441, line 2, leave out “or relevant multinational company”.
Amendment 96, page 441, line 8, after “is” insert “(in substance)”.
Amendment 97, page 441, line 11, after “company” insert “for an accounting period”.
Amendment 98, page 441, line 19, after “income” insert “of the company for an accounting period”.
Amendment 99, page 441, line 2, after “company” insert “for that period”.
Amendment 100, page 441, line 23, after “company” insert—
“for a permitted taxable period”.
Amendment 101, page 441, line 25, at end insert—
( ) A taxable period of the company is “permitted” for the purposes of paragraphs (b) of subsection (8) if—
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
Amendment 102, page 441, line 25, at end insert—
“259JBA Counteraction where mismatch arises because of a relevant multinational and the UK is the parent jurisdiction
(1) This section applies where—
(a) the dual territory double deduction amount arises by reason of the company being a relevant multinational company, and
(b) the United Kingdom is the parent jurisdiction.
(2) If some or all of the dual territory double deduction amount is (in substance) deducted (“the impermissible overseas deduction”), for purposes of a tax under the law of a territory outside the United Kingdom, from the income of any person, for any taxable period, that is not dual inclusion income of the company—
(a) the dual territory double deduction amount that may be deducted, for corporation tax purposes, from the company’s income for the deduction period is reduced by the amount of the impermissible overseas deduction, and
(b) such just and reasonable adjustments (if any) as are required to give effect to that reduction, for corporation tax purposes, are to be made.
(3) Any adjustment required to be made under subsection (2) may be made (whether or not by an officer of Revenue and Customs)—
(a) by way of an assessment, the modification of an assessment, amendment or disallowance of a claim, or otherwise, and
(b) despite any time limit imposed by or under any enactment.
(4) In this section “dual inclusion income” of the company means an amount that is both—
(a) ordinary income of the company for an accounting period for corporation tax purposes, and
(b) ordinary income of the company for a permitted taxable period for the purposes of a tax charged under the law of a territory outside the United Kingdom.
(5) A taxable period is “permitted” for the purposes of paragraph (b) of subsection (4) if—
(a) the period begins before the end of 12 months after the end of the accounting period of the company mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 103, page 441, line 26, leave out from “of” to end of line 27 and insert—
“a relevant multinational and is not counteracted in the parent jurisdiction”.

Amendment 104, page 441, leave out lines 32 to 48 and insert—
“(c) it is reasonable to suppose that no provision of the law of the parent jurisdiction that is equivalent to section 259JBA applies.”

Amendment 105, page 442, line 1, leave out “restricted deduction” and insert—
“dual territory double deduction amount”.

Amendment 106, page 442, line 5, leave out “restricted deduction” and insert—
“dual territory double deduction amount”.

Amendment 107, page 442, line 15, leave out “restricted deduction” and insert—
“dual territory double deduction amount”.

Amendment 108, page 442, line 31, after “is” insert “(in substance)”.

Amendment 109, page 442, line 34, at end insert—
“of the company for an accounting period”.

Amendment 110, page 442, line 42, after “income” insert—
“of the company for an accounting period”.

Amendment 111, page 442, line 44, after “company” insert “for that period”.

Amendment 112, page 442, line 46, after “company” insert—
“for a permitted taxable period”.

Amendment 113, page 442, line 48, at end insert—
“( ) A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (9) if—
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 157, page 443, line 11, at end insert—
“( ) Section 259KAA defines “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”.

Amendment 115, page 444, line 7, leave out “subsection (7)” and insert “section 259KAA”.

Amendment 116, page 444, line 11, leave out “section 259FA(8)” and insert “section 259KAA”.

Amendment 117, page 444, leave out lines 14 to 19.

Amendment 158, page 444, leave out lines 20 to 42 and insert—
“(8) Condition F is that it is reasonable to suppose—
(a) where subsection (6)(a) applies, that no provision of any of Chapters 3 to 5 or 7 to 10 nor any equivalent provision under the law of a territory outside the United Kingdom applies, or will apply, in relation to the tax treatment of any person in respect of the mismatch payment, or
(b) where subsection (6)(b) applies, that no provision of Chapter 6 nor any equivalent provision under the law of a territory outside the United Kingdom applies, or will apply, in relation to the tax treatment of the company in relation to which the excessive PE deduction arises.

(9) Condition F is that—
(a) subsection (6)(a) applies and it is reasonable to suppose that a provision of any of Chapters 3 to 5 or 7 to 10, or an equivalent provision under the law of a territory outside the United Kingdom, would apply in relation to the tax treatment of P if—
(i) P were the payer in relation to the mismatch payment,
(ii) P were a payee in relation to the mismatch payment, or
(iii) where the relevant mismatch is a hybrid payee deduction/non-inclusion mismatch or a hybrid entity double deduction amount, P were an investor in the hybrid entity concerned, or
(b) the relevant mismatch is an excessive PE deduction.”

Amendment 159, page 445, line 20, at end insert—
“259KAA Meaning of “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”

(1) This section has effect for the purposes of this Chapter.

(2) A “dual territory double deduction” means an amount that can be deducted by a company both—
(a) from income for the purposes of a tax charged under the law of one territory, and
(b) from income for the purposes of a tax charged under the law of another territory.

(3) A “PE deduction” is an amount that—
(a) may (in substance) be deducted from a company’s income for the purposes of calculating the company’s taxable profits, for a taxable period, for the purposes of a tax that is charged on the company, under the law of a territory (“the PE jurisdiction”), by virtue of the company having a permanent establishment in that territory, and
(b) is in respect of a transfer of money or money’s worth, from the company in the PE jurisdiction to the company in another territory (“the parent jurisdiction”) in which it is resident for the purposes of a tax, that—
(i) is actually made, or
(ii) is (in substance) treated as being made for tax purposes.

(4) A PE deduction is “excessive” so far as it exceeds the sum of—
(a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax that is charged on the company, under the law of a territory (“the PE jurisdiction”), and
(b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction.

(5) A taxable period of the company is “permitted” for the purposes of subsection (4) if—
(a) the period begins before the end of 12 months after the end of the taxable period mentioned in subsection (3)(a), or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period for the purposes of subsection (4), and
(ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period.”

Amendment 119, page 445, line 45, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 120, page 446, line 4, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 121, page 446, line 28, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 122, page 446, line 32, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 123, page 450, line 19, at end insert—
“Relevant investment funds
259NZA Meaning of “relevant investment fund”.
'(1) “Relevant investment fund” means—
(a) an open-ended investment company within the meaning of section 613 of CTA 2010,
(b) an authorised unit trust within the meaning of section 616 of that Act, or
(c) an offshore fund within the meaning of section 354 of this Act (see section 355),
which meets the genuine diversity of ownership condition (whether or not a clearance has been given to that effect).
(2) “The genuine diversity of ownership condition” means—
(a) in the case of an offshore fund, the genuine diversity of ownership condition in regulation 75 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), and
(b) in the case of an open-ended investment company or an authorised unit trust, the genuine diversity of ownership condition in regulation 9A of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964).”

Amendment 124, page 452, leave out lines 19 to 22 and insert—
“(b) for the purposes of influencing the conduct of U’s affairs—
(i) P is able to secure that T acts in accordance with P’s wishes,
(ii) T can reasonably be expected to act, or typically acts, in accordance with P’s wishes,
(iii) T is able to secure that P acts in accordance with T’s wishes, or
(iv) P can reasonably be expected to act, or typically acts, in accordance with T’s wishes,.”

Amendment 125, page 454, line 16, at end insert—
“‘relevant investment fund’ has the meaning given by section 259NZA;’

Amendment 126, page 456, line 14, at end insert—
“dual territory double deduction
(2) The report must include, but need not be limited to, information about—
(a) the number of persons who have been charged with offences under each of sections 106B, 106C and 106D of TMA 1970;
(b) the number of persons who have been convicted of any such offence;
(c) the average fine imposed; and
(d) the number of people upon whom a custodial sentence has been imposed for any such offence.

New clause 13—Report into the UK Tax Gap—
‘(1) The Chancellor of the Exchequer shall, within one year of the coming into force of the provisions in TMA 1970 relating to criminal offences relating to offshore income, assets and activities introduced by section 165 of this Act publish a report on the impact of the introduction of these offences.
(2) The report must include, but need not be limited to, information about—
(a) details of the UK Tax Gap (including individual breakdowns for figures relating to tax avoidance and tax evasion) for the financial years—
(i) 2015-16;
(ii) 2014-15;
(iii) 2013-14;
(iv) 2012-13; and
(v) 2011-12;
(b) a detailed summary of the model used by HMRC for estimating the UK Tax Gap;
(c) an assessment of the efficacy of HMRC’s performance in relation dealing with the UK Tax Gap, including—
(i) a breakdown of specific HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
(ii) details of the numbers of staff in each of the years listed in paragraph (a) who are located within departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
(iii) details of the budgets allocated to departments or units dealing with investigation above; and
(iv) details of the numbers of prosecutions or the amount of tax recovered in each financial year listed in paragraph (a) as a result of the work of HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap in those financial years.

(d) a review of the impact on tax revenues of requiring non-public organisations involved in public procurement processes to—

(i) be registered in the UK for tax purposes;
(ii) have paid UK tax for a period of at least five years prior to the date the relevant contract is awarded;
(iii) publish full details of beneficial ownership for the period of five years prior to the date the relevant contract is awarded; and

(iv) provide company accounts (including those of any beneficial owners) for the period of five years prior to the date the relevant contract is awarded.

(e) a comprehensive assessment of the efficacy of the General Anti Abuse Rule in discouraging tax avoidance;

(f) an assessment of the impact on tax revenues of introducing a set of minimum standards in relation to tax transparency for all British crown dependencies and overseas territories including (but not limited to)—

(i) placing a statutory duty on British crown dependencies and overseas territories to maintain a public register of owners, directors, major shareholders and beneficial owners;

(g) an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown Dependencies and overseas territories, including but not limited to—

(i) details of the names of beneficiaries to such trusts;
(ii) details of the addresses of beneficiaries to such trusts;
(iii) details of assets held by such trusts;
(iv) details of any trustees registered within the UK who have transferred that main residence to non-UK jurisdictions;

(v) details of tax avoidance schemes involving trusts which are currently disclosed to the HMRC.

(3) For the purposes of this section, the “UK Tax Gap” means the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax actually collected in that financial year which derives from tax avoidance and tax evasion.

Government amendments 136 and 137.

Amendment 167, in clause 163, page 293, line 25, leave out “may” and insert “must”.

Amendment 168, in page 293, line 41, leave out “may” and insert “must”.

Amendment 171, in clause 165, page 295, line 9, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 172, in page 295, line 26, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 173, in page 295, line 40, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 145, in schedule 19, page 589, line 29, at end insert—

‘(6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”

Amendment 163, in schedule 20, page 609, line 34, at end insert

“or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”.

Amendment 164, in page 609, line 40, at end insert

“or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”.

Amendment 165, in schedule 21, page 618, leave out lines 27 to 34 and insert—

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Amendment 166, in page 621, leave out lines 8 to 15 and insert—

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</tr>
</tbody>
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Amendment 170, in schedule 22, page 627, line 5, leave out “10%” and insert “15%”

Roger Mullin: To those with little knowledge of Scottish limited partnerships, it may seem strange that I rise in this House to move new clause 7 in my name and those of my colleagues, but, despite what the name suggests, Scottish limited partnerships have limited connection to Scotland, and none to the Scottish Parliament. They were introduced in 1907 by the Chancellor of day, Herbert Asquith; despite rumours to the contrary, I was not present at the debates at the time, but the regulation, operation and dissolution of SLPs remain the exclusive preserve of Westminster; hence our moving this new clause.

Scottish limited partnerships have their own distinct legal personality. As a result, SLPs can, for example, hold assets, borrow money and enter into contracts. However, Asquith could never have foreseen that they would become a financial vehicle abused by international criminals and tax dodgers.

Great credit must go to the journalists of The Herald newspaper, particularly David Leask, for doggedly uncovering the truth about SLPs—and isn’t it good that for once we can praise journalism of the highest order delving into important matters, rather than merely dealing in tittle-tattle? Although some users of SLPs no doubt
operate appropriately and responsibly, it is claimed that up to 95% of SLPs are mere tax evasion vehicles, including for criminal assets.

While SLPs may be registered in Scotland, they are often owned by partners based in the Caribbean or other jurisdictions that ensure ownership secrecy and, or no, tax regimes. People operating outside the UK are exploiting opaque ownership structures to hide their true ownership. As Oxfam, too, has recently pointed out, brokers in countries such as Ukraine and Belarus are specifically marketing SLPs as “Scottish zero per cent. tax firms.”

The number of SLPs is growing apace. Data from Companies House revealed by The Herald show 25,000 were in place by the autumn of 2015 and new registrations have been increasing by 40% year-on-year since 2008.

To give an example of what can happen, in 2014 allegations emerged that SLPs had been used to funnel $1 billion out of banks in the former Soviet Republic of Moldova. The use of an SLP and a bank account in an EU country allows dodgy groups, for example from the ex-Soviet Union, to move their ill-gotten gains to tax havens under the cloak of respectability.

I am aware that the Scottish Government’s Finance Secretary, Derek Mackay, has recently written to the UK Government about SLPs. He sensibly pointed out in his letter that “it is critical that due diligence checks are able to be made when SLPs are initially registered and when there are changes in partners, and that penalties are imposed on partners where the SLP does not comply with the relevant legislation”.

He went on to point out:

“The threat of serious organised crime does not respect borders and with the significant increase in cyber crime, it is essential that we take every step open to us to reduce this threat as much as possible”.

To that end, our new clause seeks an urgent review of SLPs that would, importantly, include taking evidence from the Scottish Government, from HMRC and from interested charities. We have crafted the new clause in the hope it will attract cross-party support and it is a remarkable and brave journalist Roberto Saviano, who has been admired for exposing the murderous criminal underworld of the Italian mafia. In a recent article in The Daily Telegraph, he warned that the UK financial world was effectively allowing what he called “criminal capitalism” to thrive. Surely we must take steps today to ensure that this is not the case.

Caroline Flint (Don Valley) (Lab): In speaking to amendment 145 today, I am grateful for the chance once again to put the case that large multinationals should co-operate with public country-by-country reporting in the UK so that we can all gain greater insight into the trading activities that determine the amount of corporation tax being paid.

As a new member of the Public Accounts Committee in February, I heard first hand Google and Her Majesty’s Revenue and Customs try to explain how £130 million represented a good deal after a decade’s-worth of unpaid taxes and reasons to justify non-payment. This cross-party Committee of the House felt that the way in which global multinationals play the system denies a fair take for HMRC, having an impact on our public services, and is unfair to British taxpayers and businesses, for whom such a complicated organisation of tax affairs is not an option.

9 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): Does the issue not go further than that? Our constituents’ money generates the revenues and therefore the profits of such companies. It is not just unfair to them because they pay their taxes; their money funds the profits that generates the taxation that ought to be paid to the Revenue.

Caroline Flint: I congratulate the hon. and learned Gentleman, who is a former colleague on the PAC, on his promotion.

John Redwood (Wokingham) (Con): The hon. Gentleman is making the powerful case that some SLPs are being used for criminal or money-laundering purposes. Those are serious crimes and they should be reported. Has he reported them? Is not this an enforcement issue?

Roger Mullin: It is certainly a very important issue, but I think it would be better if we could get the Government to carry out the kind of detailed scrutiny that would enable them to enact the necessary legislation. Their voice would be far more powerful than mine in this regard.

I should also like to pass comment on amendment 145, tabled in the name of the right hon. Member for Don Valley (Caroline Flint), which we will certainly be supporting. I am sure that she will have much more to say about it in a moment. It is a modest amendment to encourage much-needed country-by-country reporting for corporations, and I look forward to hearing her remarks. She can be assured that her actions have the full support of Members on these Benches. Similarly, we hope that the Opposition will press new clause 13 to a vote. We also intend to support that proposal.

This whole section dealing with tax evasion is very important, and it is vital that the UK as a whole lives up to its responsibility to ensure that we do not get a name for encouraging tax dodgers. I want to mention the remarkable and brave journalist Roberto Saviano, who has been admired for exposing the murderous criminal underworld of the Italian mafia. In a recent article in The Daily Telegraph, he warned that the UK financial world was effectively allowing what he called “criminal capitalism” to thrive. Surely we must take steps today to ensure that this is not the case.
Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): He’s still on it.

Caroline Flint: The Chair of the PAC has corrected me. The hon. and learned Gentleman is absolutely right; it is almost a double whammy. Customers of such companies pay for their services in good faith and expect, as both taxpayers and consumers, big companies to play fair by them and by the country in which they operate.

The PAC is not alone in worrying about how such companies organise themselves. Around the world, people and their Governments are questioning the loopholes and convoluted legal arrangements that create inaccurate descriptions of multinationals’ trading activities in individual countries. The problem is not confined to tech firms such as Google, but their massive global presence has exposed the fault lines of an old-fashioned tax structure that has not kept up with today’s online business world. Many of today’s high-tech household names were not always so big or so profitable. The investigation into Google began under the previous Labour Government and the coalition Government continued the work to get on top of these relatively new business models, both nationally and internationally. Tax policy is not easy. Once one tax loophole is closed, another one opens up.

Wes Streeting (Ilford North) (Lab): I commend my right hon. Friend’s work on this issue over a long period of time. Does she share my concern that even when the Government have tried to take the initiative, such as through the diverted profits tax—the so-called Google tax—that has not delivered the expected revenues? Indeed, Google does not pay a great deal through that tax. A tax—that has not delivered the expected revenues? Indeed, Governments have tried to take the initiative, such as that proposed by my right hon. Friend Google does not pay a great deal through that tax. A tax—that has not delivered the expected revenues? Indeed, Governments have tried to take the initiative, such as that proposed by my right hon. Friend. Does she share my concern that even when the Government have tried to take the initiative, such as through the diverted profits tax—the so-called Google tax—that has not delivered the expected revenues? Indeed, Google does not pay a great deal through that tax.

Caroline Flint: I hope so, because transparency is an important ingredient in ensuring that the rules we apply have some bite. It sometimes seems as though we are trying to catch jelly.

The whole debate has brought into question the legal and moral difference between tax evasion and tax avoidance. Companies often rightly defend themselves on grounds of working within the rules, but politicians and civil servants are often caught out by clever manipulation of those rules. That is not illegal but cannot be said to be in the spirit of what was expected.

I have no illusions about having a perfect tax system. Keeping one step ahead is a never-ending task for modern tax authorities. I welcome the Government’s introduction at HMRC of country-by-country tax reporting, which is now up and running, and I agree with the Minister’s summer announcement that those who advise individuals and companies on their tax affairs will be subject to greater accountability for their actions when wrongdoing is exposed.

However, public transparency can make a real difference in ensuring fair taxation and fair play. That is why, with the support of PAC colleagues and cross-party support from across the House, I introduced my ten-minute rule Bill in March to legislate for public country-by-country reporting. The backing I received spurred me on to try to amend the Finance Bill in June, gaining the support of eight parliamentary parties: Labour—I thank Front-Bench spokespeople past and present, including my hon. Friend the Member for Wolverhampton South West (Rob Marris), for their support—the SNP, the Liberal Democrats, Plaid Cymru, the Social Democratic and Labour party, the Ulster Unionist party, the United Kingdom Independence party, the Green party, the independent hon. Member for North Down (Lady Hermon), and a number of Conservative MPs, too. Oxfam, Christian Aid, Save the Children, ActionAid, the ONE campaign and the Catholic Agency for Overseas Development joined our efforts, adding an important and necessary dimension to the argument for public country-by-country reporting.

Meg Hillier: I, too, congratulate my right hon. Friend on her sterling work in raising this issue up the agenda. Does she agree that if the Government were to adopt this amendment, they would be setting a tone for other parts of the world? We have had a lot of interest from around Europe and elsewhere about the work being done in Parliament and by our Government, and adopting this would really set the example.

Caroline Flint: I agree with my hon. Friend on that. I commend her work as the Chair of our Committee and the work she has done with other public accounts committees in other countries, because there is an appetite for doing more in this area and we are leading the way. We can do that from our House of Commons Committees, but we hope today that we can give some added muscle to the Government to lead the way in this important area, too.

I talked about the charities and organisations working in the development sphere, because I am seeking tax justice not only here, but for those developing countries that lose out too. I have said it before but it is worth saying again: if developing countries got their fair share of tax, it would vastly outstrip what is currently available through aid. The lack of tax transparency is one of the major stumbling blocks to their self-sufficiency. My thanks also go to the Tax Justice Network, Global Witness and the business-led Fair Tax Mark, as well as to tax experts Richard Murphy and Jolyon Maugham, QC, who have helped me to make the case and to get the wording right to amend legislation. This proposal demonstrates the widespread view that bolder measures to hold multinationals to account are necessary.

John Redwood: Is not the bigger issue: where should the profit be fairly struck? Where was the value added? Where did the work take place? Where is the intellectual property residing? Getting transparency is one thing, but we could still get transparency for an answer that we do not like.

Caroline Flint: There is a debate about where best to recoup the money from those who trade and the profits they make. Different options are available, but perhaps that is a wider debate for another day. The BEPS—Base Erosion and Profit Shifting—debate was partly about addressing that, but transparency has to be at the heart of all this, whatever system we set up to identify what is a fair contribution for business. I hope that my amendment will be supported and will be one small step forward.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend knows that I support this amendment and the wonderful work she does. Does she remember
all the difficulties we had with the banking sector and the people who were supposed to be the auditors—these great companies that are specialising in obscurity, hiding ownership and moving ownership? Surely this must go in tandem with talking on those big people who did not audit the banks properly. They are the same people who allow these big companies to evade taxation.

Caroline Flint: My hon. friend is right about that. As the Parliament that represents the people of this country, we have a duty not to allow markets to be unfettered, but to provide a framework in which they should operate, work, be successful and do the right thing. I must say that there are companies doing the right thing. Increasingly, companies are volunteering to do the right thing by publishing the sort of information that I am asking to be made more public today.

Rob Marris: Will my right hon. Friend give way?

Caroline Flint: I will give way once more, but I am conscious that other people wish to speak.

Rob Marris: Can my right hon. Friend confirm my understanding, or correct me if I am wrong, that what she is seeking in this amendment would not cause any burden to business because the information is already being gathered and reported but is not then being published? Her amendment seeks merely to get that which is already gathered and reported to be published.

Caroline Flint: That is correct.

I was hopeful for my June amendment, because since the 2015 general election, the Government had, on a number of occasions indicated their support for public country-by-country reporting, and I welcome that. I am grateful to the former Financial Secretary, now Chief Secretary to the Treasury, as his approach was always constructive as we sought the best way to proceed. At the debate in June, four days after the EU referendum, the Minister and others were concerned that introducing my amendment at that time might put UK multinationals at a competitive disadvantage for reputational reasons. I have no doubt that a number of the businesses to which my amendment would apply have already suffered reputational damage and more transparency could actually enhance their standing. To the Government’s credit, the UK was the first to introduce public registers of beneficial ownership, and others followed. Backing public country-by-country reporting is an opportunity to show leadership again. Indeed, it is a pro-business measure. This kind of reporting already exists within the extractive sector and again. Indeed, it is a pro-business measure. This kind of country reporting is an opportunity to show leadership and ownership, and others followed. Backing public country-by-country reporting is an opportunity to show leadership and ownership?

At the debate in June, four days after the EU referendum, the Minister and others were concerned that introducing my amendment at that time might put UK multinationals at a competitive disadvantage for reputational reasons. I have no doubt that a number of the businesses to which my amendment would apply have already suffered reputational damage and more transparency could actually enhance their standing. To the Government’s credit, the UK was the first to introduce public registers of beneficial ownership, and others followed. Backing public country-by-country reporting is an opportunity to show leadership again. Indeed, it is a pro-business measure. This kind of reporting already exists within the extractive sector and in financial services. Some companies are ahead of the curve and have started to publish this information. I am talking about companies such as SSE, the energy supplier, and the cosmetics retailer Lush, which operates in 49 different countries. The Government also said that, although they supported the principle, they would prefer to move ahead with others rather than alone.

As the Government make plans to leave the European Union, which may not be all smooth sailing. I do appreciate Ministers’ caution. I am grateful to the new Financial Secretary, the hon. Member for Battersea (Jane Ellison), for the constructive dialogue that we have had over the past two months. I am grateful, too, to my colleagues from the Public Accounts Committee—my hon. Friend the Member for Hackney South and Shoreditch (Megg Hillier), and the hon. Members for Berwick-upon-Tweed (Mrs Trevelyan), and for Amber Valley (Nigel Mills)—for their advice and support during the recess, and I thank all those who have signed amendment 145.

I hope that the Government will regard this amendment as a friendly proposal. It if is passed today, the Commons will enshrine in law support for the principle of public country-by-country reporting with the power for the Government to introduce when the time is most appropriate. That sends a very powerful message, confirming the UK’s leading role in addressing tax evasion and avoidance and providing the Government with the tools to move quickly, when the time is right, without the need for primary legislation.

Last week, the European Commission served a €13 billion tax bill on tech giant Apple. Although the rate of corporation tax in Ireland is low at 12.5%, the Commission concluded that Apple had, in effect, paid 1% corporation tax from 2003 and a tiny 0.005% in corporation tax since 2014. I am afraid that that implies that even low corporation tax rates are no guarantee that a country will collect its rightful share. In this case, €13 billion is equivalent to paying £50 of tax on every £1 million of profits. Apple is entitled to defend its position, but the case highlights the need for more transparency in multinational business affairs.

Finally, having listened to the Government’s concerns and shared with them my arguments for today’s amendment, I hope that the House can come together and make UK public country-by-country reporting a matter not of if, but when.

Charlie Elphicke (Dover) (Con): I do not intend to detain the House for an unduly lengthy period of time, because I know that everyone wants to get to bed before midnight. I want to set out why country-by-country reporting is so very important, and why the whole culture of tax avoidance by big business and multinationals is something that we cannot condone or tolerate.

People ask what is wrong with an organisation such as Apple organising its tax affairs to its best possible advantage. After all, is that not the principle of taxation—that there is no equity in taxation and that only the literal taxation rules should apply? However, my concern is that the conduct of Apple is unacceptable for three key reasons. If a big business organises its tax affairs so that it basically pays no tax whatsoever, then it is inevitably warping the free market, because it is getting an unfair tax advantage, or a tax advantage that gives it a competitive advantage over other enterprises that are paying tax on their profit. For me, that is a really serious issue.

The other issue with Apple in Ireland is that to have a special deal for one business that does not apply to everyone else is counter to the fundamental principle of the rule of law, which is that everyone should be treated the same—be they a cleaner at Apple or Apple itself. What is offensive is if a cleaner in the office is paying more in tax than the massive, profitable enterprise whose offices they are cleaning.

Let me continue with the case of Apple. My right hon. Friend the Member for Wokingham (John Redwood) made a powerful point. If it has created all this intellectual
property, he asked what was wrong with its not being caught in the UK tax net. My answer is that that intellectual property was in fact created in Silicon Valley, but is the organisation paying tax in Silicon Valley? Is it paying tax in America? No, it is not. It has set up a clever structure. Early in its evolution as a business—some 10 or 20 years ago—it sold its outside American intellectual property rights for $1, or some other small sum, to a Bermuda company, which would then have a conduit through Ireland to invest across the rest of Europe.

The company then checks the box for US tax purposes in respect of everything below Bermuda so that, from the Internal Revenue Service’s point of view, it looks as though the Bermuda company is the trading company, and because it is a trading company and the only enterprise that there is for US tax purposes, it is not caught by subpart F of the controlled foreign companies regulations, meaning that no tax can be deemed to have to be repatriated to the United States. As a result, the Bermuda enterprise becomes a cash box for reinvestment across the European theatre. Therein lies the unfair competitive advantage.

John Redwood: I remind my hon. Friend that I did not mention the word “Apple” and I expressed no view on Apple’s tax affairs, one way or the other. I asked a question about how we as legislators globally can produce a system that is fair and sensible so that people know what companies should be paying. I have not studied Apple’s tax affairs in details so I would not presume to lecture either for or against what that company does.

Stephen Timms (East Ham) (Lab): I agree with the points that the hon. Gentleman makes, but can he confirm my understanding that if the amendment tabled by my right hon. Friend the Member for Don Valley (Caroline Flint) had applied in Ireland in the case of Apple, we would have known that very, very large profits were being made by the company, which seems to have existed only on paper, and we would also have known that it was paying a tiny amount of tax? Would not that have been a valuable step forward in understanding what was going on?

Charlie Elphicke: The key issue is that we did know. As I recall, Apple had to report the situation in some investigation by the Senate in the United States. The Senate was wondering why very little tax had been paid by Apple in the United States. If my recollection is not correct, I am sure a fellow Member of this House will correct me. The issue is one of transparency. These things come to light because the US Senate holds an investigation, or some other enterprise or organisation, such as the Public Accounts Committee, carries out an investigation and starts asking questions.

In the previous Parliament, I myself went through the accounts of Google, Amazon and Starbucks and looked at what they were paying as a proportion of profits. That is why I think country-by-country reporting ought to be considered, and on an international basis.

It is important that countries act together to make sure that the international tax system is suitably robust for the internet age.

The reason that that matters is that when large enterprises, big businesses and the elites do not pay tax, it affects small businesses. It is the small business rooted in our soil which employs our neighbours and pays its dues that suffers when the competitive advantage, the level playing field and the rule of law are warped in that way. That is my prime concern. Small businesses in my constituency in Dover and Deal are the lifeblood of my local economy and I want them to have a fair crack. I want the towns and regions of this great nation, England, that I represent, and Wales and Scotland to have a fair crack and to be able to come to the fore. Particularly in Brexit Britain, it is important that they are able to come to the fore, to be galvanised and to be part of the leadership of this nation. That is why we need a Britain that works for the 90%, which is the towns and regions of our nations, rather than for big business and the elite 10%. That is important and it is why we need a tax system that works for everyone.

I have been deeply concerned recently when looking at accounts in the car rental industry. Colleagues may recall that Avis was accused of imposing a Brexit tax on people renting its cars. I looked at its accounts and saw that Avis had paid no tax itself. It taxed its British customers but did not seem to pay any British corporation tax on its profits.

Ian Murray (Edinburgh South) (Lab): The hon. Gentleman is making an incredibly powerful speech about the reasons for tax transparency, but in the case of companies such as Avis, which he mentions, should we not have transparency for one simple reason only—so that consumers can vote with their feet? If they believe that they are purchasing products from companies that are not paying tax in this country or in other countries, they can go and buy those products from other companies that are paying tax.

Charlie Elphicke: That is a very powerful point. This is why transparency matters. If people know that they are being taken for a ride, they do not have to use an organisation that uses a Luxembourg structure, which is a common kind of intermediate structure for pan-European tax planning to organise things so that no tax need be paid.

This is not just about Avis. I had a look at the accounts of Hertz, another large US car rental company that also does not seem to have paid any tax in the past few years. It is hard to tell how it is doing that, and I had to look at the accounts in very great detail. It has some let-out whereby the company does not have to report related-party transactions. One would think that it may well be renting its car fleets through the Luxembourg company or the Netherlands BV that it uses. Hertz uses a Netherlands BV and Avis uses a Luxembourg company to get money out of the UK tax net so that it is not subject to tax on any profit. However, I cannot tell, because we do not have that level of reporting. That is why country-by-country reporting is important, not just as a tax concept but as an accounting concept, so that one can see where the money has gone. Similarly, inter-company loans and borrowings are often at the much higher rate. That is certainly the case with Avis,
which was paying more in its inter-company loans than in its borrowings to the bank. That, too, caused me a level of concern. There seemed perhaps to be some trademark royalties in there, or some royalties to do with its internal IT and computer systems, but it was hard to tell because we do not have that granularity in the accounts.

We ought to have a greater level of knowledge, a greater level of reporting, and a greater level of understanding of how money is being paid, the taxes that are due, and the nature of the planning that is being undertaken so that our laws are more robust and we can make sure that everyone in this nation pays a fair share of tax, be they the cleaner or the largest enterprise that is trading. It matters for the rule of law, for a fair and open market, and for a level competitive playing field that all businesses and enterprises are treated the same.

Mike Wood (Dudley South) (Con): As a Conservative, I believe that taxes, whether direct or indirect, need to be kept as low as possible, consistent with the need to raise finances for our vital public services and for our national security. Unnecessarily high taxation not only strangles growth and development but means Government taking from those who have earned money, whether through labour, innovation, or capital.

However, the flipside of keeping tax levels low is that everybody must pay their fair share. Aggressive tax avoidance, bending the rules of the tax system to gain an advantage that Parliament never intended, means that a heavier burden falls on others, who are able to keep less of the money that they have earned. This Government are rightly committed to supporting businesses through low taxes—that is why corporation tax is being cut again to 17%—but those taxes do have to be paid.

This Bill therefore addresses many of the ways that companies use to avoid paying their fair level of tax. That includes the amendments that we are debating, tabled by the Government, to reform hybrid mismatches. The amendments will reduce aggressive tax planning, typically involving a multinational group. The introduction of these rules will, in essence, remove the tax advantage arising from the use of hybrid entities and instruments, and ought to encourage more businesses to adopt less complicated, more transparent cross-border investment structures. I look forward to similar rules being introduced by other jurisdictions. However, in line with OECD regulations, the Bill contains provisions for counteraction in the UK where the other country does not counteract the mismatch within its own hybrid mismatch rules. The Bill introduces the new penalty of 60% of tax due that was announced in the Budget, to be charged in all cases successfully tackled by the general anti-avoidance rule.

Government amendments 136 and 137 help to ensure that the changes announced in the Budget work as intended, cracking down further on unscrupulous and aggressive tax avoidance. I agree with the comments made by my hon. Friend the Member for Dover (Charlie Elphicke) on country-by-country reporting, as well as those raised so regularly by the right hon. Member for Don Valley (Caroline Flint). There is widespread and growing agreement that there is a need to move to country-by-country reporting so that the information is out there and available both to national tax authorities and to the wider public. That brings us back to the question of whether the best way to achieve that is for individual countries to act unilaterally or for the UK to move in partnership with our international allies and through a range of international organisations both within and beyond Europe.

Rob Marris: Of course, the Opposition want international action, we want international co-operation and we want our international friends to copy the amendment tabled by my right hon. Friend the Member for Don Valley (Caroline Flint), which we hope will be successful tonight. However, we also need to bear it in mind that half the tax havens in the world are British overseas territories. We have a particular responsibility in this regard worldwide. It is not about some sort of moral responsibility—to use the old-fashioned phrase, the white man’s burden—or any of that nonsense. It is to do with the fact that British overseas territories are responsible for half of these shenanigans.

Mike Wood: The hon. Gentleman makes a valid point, but we should also recognise, as I am sure he will, the progress that has been made in recent years to insist on those overseas territories moving into the 21st century so that their tax arrangements comply with what we would expect for international standards. In a globalised world, we must be clear that concerted international effort is needed to stop continued cross-border tax avoidance, evasion or plain old-fashioned aggressive but unscrupulous planning.

The UK Government have done more than any previous Government and more than most of our international allies and competitors to eradicate these practices, and they continue to do so, but of course more must be done and I welcome the reassurances we have heard from the Government that this remains a priority. I am pleased that the Government are now pursuing country-by-country reporting and that it will be discussed at the forthcoming G20 Finance Ministers meeting. This measure will by itself help to increase transparency across multinationals, supporting not only our tax authorities but, perhaps more importantly, those of the developing countries of which we have heard, which are almost literally being robbed of vital sources of income.

In conclusion, the Finance Bill and the amendments tabled to it include both pioneering and bold measures. It will ensure that taxes are paid and that everybody pays their fair share, and I look forward to supporting it this evening.

John Redwood: I remind the House that I have declared in the register of interests that I am a registered investment adviser, but obviously I am not speaking on their behalf in this debate.

It seems to me that there is common ground among all parties in this House that we need to collect a decent amount of tax revenue and that we want to ensure that those who are rich, particularly companies that seem to generate a lot of turnover and possibly profit, pay their fair share. We recognise, I think, that we have to operate in a global market. We are talking about what are usually large corporations that genuinely make different levels of profit and generate different amounts of turnover in different jurisdictions, and that have genuinely
complicated arrangements when they switch components, technology, ideas and work between different centres. Even in a service business that does that through electronic communication and digital activity, there may be different people in different centres around the world who contribute to servicing the client and to dealing with the particular product. There are, therefore, genuine issues for the honest company in trying to define and measure precisely where work is done, where added value is greatest and what is a fair attribution.

We as legislators have to understand that complexity and try to come up with a good judgment, collectively and globally between the main jurisdictions, on what is a fair way to instruct those global companies to report in our different jurisdictions so that sensible amounts of tax are captured.

9.30 pm

We also need to remember that we as legislators often help create the very problem that offends quite a lot of MPs, because we speak with forked tongue when it comes to tax matters. When discussing tax, this House often wants to offer tax breaks. The House will say, “We would like companies to do more R and D or invest more in plant and equipment,” or, “We would like individuals to save for their retirement, save generally or be entrepreneurial, set up a business and then sell it in a few years at a good profit.” We collectively decide that we should encourage more of that conduct by letting people off income tax, capital gains tax, corporation tax or a combination of general taxes as an incentive for them to behave in the way we would like. We must, therefore, take some responsibility for tax avoidance—obviously not for law-breaking—by those who use the tax breaks we provide.

We are now trying to define something that is not strictly law-breaking, which we all condemn and is an enforcement matter, or a friendly tax incentive, which we probably still agree on. I suspect that every MP in this House thinks that something should be encouraged by tax incentive, but we are trying to define something in the middle, which has come to be called aggressive avoidance, where there are elements of doubt. That is where legislators need to do a better job, because we need to be able to say to people and companies, “This is illegal conduct and you will be prosecuted for it, and everything else is legal conduct and meets your obligations.”

If we find that we are not collecting enough tax, perhaps the problem lies with us and perhaps we have to review the whole range of incentives and tax breaks that we offer, because that may be the origin of the problem of our not collecting as much tax as we need or would like to meet the requirements of our public services and other needs.

I will keep my remarks suitably brief. We need a certain amount of humility as legislators. It is very easy to get on a high horse about rich individuals and rich companies. Some of them do break the law—a minority, I trust—and they need to be pursued and prosecuted. Many others are honestly trying to report their tax affairs, complicated as they are, in multiple jurisdictions. This evening we are debating a 644-page addition to our tax code. Given that we are just one medium-sized country and that a multinational company may have to report to 30, 40 or 50 different countries, all of which are generating tax codes on that monumental scale, we should pause a little and ask ourselves whether we are getting in the way of levying fair tax by the very complexity of the rules we are establishing.

Rebecca Long Bailey: I will speak to a number of amendments in my name and those of my hon. Friends. New clause 12 would require the Government to report within one year on the impact of the criminal offences relating to offshore income assets and activities created by clause 165. Amendments 167 and 168 would make it compulsory, rather than just possible, for HMRC to publish the names of those who hide behind entities such as companies and trusts when committing offshore tax evasion. Amendments 171 to 173 would expand the definition of “reasonable” referred to in clause 165 to include “an honest belief that all of the information included was true and accurate”, because the Opposition are concerned that the category of reasonableness is, on its own, far too subjective. Amendments 163 and 164 would strengthen the penalty for enablers of offshore tax evasion to include 100% of the fees received by the enabler of the service—for the lawyers in the Chamber, the principle of just enrichment, as it were. The aim of that is to neutralise somewhat the commercial aspect of the tax avoidance industry.

Amendments 165 and 166 would increase the minimum penalties for inaccuracy, failure to notify a charge to tax or failure to deliver a return, in relation to offshore matters and transfers, by 15% rather than the Government’s suggested 10%. In their consultation “Strengthening civil deterrents for offshore evaders” the Government considered increasing the minimum penalties by 15% rather than 10%. These are probing amendments to find out why the Government opted for a smaller increase than the one that they initially considered.

Up next we have amendment 170, which would increase from 10% to 15% the asset-based penalty introduced by schedule 22. The Government’s consultation on this penalty cited different rates for such asset-based penalties across the world, including in Italy where the penalty is up to 15%. As I will expand on in a moment, the Opposition think that we must be world leaders on stamping out tax avoidance, so I think our penalty should be, at the very least, on a par with precedents across the world. Those penalties are a start, but I would add that in the light of the latest Government consultation on tackling offshore tax evasion, which would introduce a separate offence not covered by the Bill, there appears to be a clear move by stakeholders to suggest that even higher penalties are required. I urge the Government to consider those suggestions carefully.

I confirm Labour’s support of cross-party amendment 145 on public country-by-country reporting, which was tabled by my right hon. Friend the Member for Don Valley (Caroline Flint). I place on record my thanks to her for the hard work that she has put into pursuing this important issue. It is testimony to that hard work that many Members across the House—including members of the Public Accounts Committee and more than 60 MPs from eight political parties, as my right hon. Friend illustrated—and organisations outside this House have supported this amendment. I will not go over the ground that she has covered, because she has put her case articulately. The enabling power contained in the amendment would give the UK
scope to strengthen its influence on international tax transparency negotiations, and it would build greater consensus.

Finally, new clause 13 would require a comprehensive report into the UK tax gap, which is defined as the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax that it collects. Such difference derives from tax avoidance and evasion. The contents of the report would be as set out in the new clause, and it would have to be carried out in consultation with stakeholders. It would examine a number of areas relating to tax avoidance in the hope that the Government might review their policy and tailor it to deal adequately with such issues.

Chris Stephens (Glasgow South West) (SNP): Does not new clause 13 expose the idiocy of closing HMRC offices, as the Government are planning to do to 90% of them? Would it not also allow Members to look at the number of staff in HMRC dealing with tax avoidance and set that against the 3,765 staff in the Department for Work and Pensions who deal with £1.2 billion of so-called social security fraud?

Rebecca Long Bailey: The hon. Gentleman makes a very good point. The report is intended to highlight any deficiencies that might be found in HMRC’s resources or structures that affect its ability to tackle tax avoidance.

As Members who read new clause 13 will see, the part relating to HMRC goes into a lot of detail. Briefly, however, the report would be required to cover figures for the UK tax gap for the past five financial years; details of the model used by HMRC for estimating the UK tax gap; an assessment of HMRC’s efficacy in dealing with the UK tax gap; details of the tax revenue benefits for companies engaged in public procurement that are registered in the UK only for tax purposes; an assessment of the efficacy of the general anti-abuse rule in discouraging tax avoidance; consideration of the benefits for tax revenue of introducing a set of minimum standards in tax transparency for all British Crown dependencies and overseas territories; and, finally, an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown dependencies and overseas territories.

The new clauses and amendments we have tabled are necessary now more than ever. I appreciate that we have limited time today, so we will push to a vote only new clause 13. The new clause 13 would require a comprehensive, detailed, and annualized report into the UK tax gap, which is defined as the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax that it collects. Such difference derives from tax avoidance and evasion. The contents of the report would be as set out in the new clause, and it would have to be carried out in consultation with stakeholders. It would examine a number of areas relating to tax avoidance in the hope that the Government might review their policy and tailor it to deal adequately with such issues.

To take hon. Members on a little historical, magical mystery tour, in the 1980s, judges, not Parliament, developed a principle that put a dent in the tax avoidance industry—the Ramsay doctrine. The principle provided that artificial tax avoidance schemes should be analysed as a whole, not analysed by each piece separately. That meant that clever tax schemes could be dismantled by taking out all the artificial elements, with what was left being taxed as though the artificial elements had never existed. The effect on tackling tax avoidance schemes was huge.

Unfortunately, case law has moved on over the years, and we have now returned to a world in which tax law is considered to be entirely a matter of statutory interpretation. There are no general principles at work that can be used when interpreting legislation to combat tax avoidance in practice. In addition, our tax statutes are extraordinarily long and very detailed. That is meat and drink to tax specialists. Any Member of the House my age or above may remember the “Peanuts” cartoons. In one episode, Linus says, “Now I know the rules, I know how to get round them.” Linus could have been a tax lawyer.

Tax lawyers love playing with the rules, and we should not underestimate the expertise and determination of the tax avoidance community. In fact, one tax law specialist recently told me something really harrowing about a firm of accountants in the 1990s. A specific piece of legislation had been drafted to tax any trust that shifted offshore. An exception to that rule arose if one of the trustees died and the trust shifted offshore as a consequence. Those accountants canvassed a cancer ward to see whether the relatives of people dying of cancer would be prepared to have their dying family member signed up to act as a trustee of their clients’ trusts. They sought reassurances that the patient would die soon and promised to pay a small fee. That is an extreme case, but is an example of the depths to which people will sink to avoid paying their taxes.

9.45 pm

A complete reorganisation of our tax avoidance laws is therefore needed. We need a general anti-avoidance principle that is broadly drawn, so that it empowers courts to interpret all tax laws purposefully. That is something that many of us on the Opposition Benches have been calling for, as has the TUC, but Government attempts thus far have been piecemeal at best.

To continue my history tour of a general anti-avoidance principle, we first had the narrow rule, in the Finance Act 2013, that focused only on abusive arrangements...
Those arrangements had to be considered to be unreasonable by a panel of industry tax experts before HMRC could act. That is an obvious example of poachers, in the form of a panel of industry tax experts, being established to advise on how to catch poachers, essentially; alternatively, we might think of them as turkeys being asked to advise about the menu for Christmas lunch.

Secondly in the Government’s timid tax avoidance legislation, there was a slight broadening out of the rule to impose penalties on avoiders. Thirdly, we gained the power to name evaders. Fourthly, we had provisions to catch those who enable tax evaders. Now there is a consultation on whether those who enable tax avoiders should be treated similarly. It is all far too slow, and far too little. As the Minister will be able to note from the number of amendments we have tabled today and on previous occasions in this House, the legislation does not have the strength or clarity it deserves. We can continue to tinker about in successive Finance Bills, trying to stick plasters over our deficient tax legislation, or we can develop a comprehensive tax avoidance strategy with heavyweight legislation to match.

As I mentioned earlier, the Labour party has tabled new clause 13 to encourage the Government to carry out a wide-ranging report on the UK tax gap. It is hoped that that report will help the Government to assess carefully the pressure points and areas of weakness in their current tax avoidance policy. We are limited by the scope of the Bill to calling for a report specifically; but Labour is committed to a full public inquiry on the matter, and I would welcome the Minister’s support for that.

This whole sorry mess—from the exposure of offshore tax havens with the Panama papers through to the largest corporations in the world paying next to nothing in tax, investment banks using financial instruments to avoid tax and clever tax advisers designing off-the-peg avoidance schemes—needs to be exposed to the disinfectant properties of daylight. It needs disinfectant because quite frankly it stinks. We need transparency in our tax system, and a full inquiry to help us design a system that will really challenge the tax avoidance industry. We need to change fundamentally the way in which we organise our tax laws so that they are based on broad principles that make it difficult to avoid them. We must then fund and equip HMRC so that it can actually take the fight to the tax dodgers, by arming it with better tax statutes and staffing it with more highly qualified staff.

We must provide it with real support in combating tax avoidance.

The Panama papers are a symptom of another well-known disease. Many of the world’s most appalling tax havens are British overseas territories or protectorates. We have to recognise that we have allowed that to happen. Essentially, new clause 13 asks the Government to explore the creation of a set of minimum standards on tax transparency for all British Crown dependencies and overseas territories. Further to that, it is imperative for the Foreign and Commonwealth Office to work seriously with Crown dependencies and the British overseas territories to establish genuine information sharing, so that they are transparent about the ownership of trusts and companies in their territories and are contributing to the tax avoidance industry to flourish on their shores.

By allowing the super-wealthy tax dodgers of the world to moor their superyachts and their money in such places, we ensure that billions of pounds, dollars and euros are lost to the public finances of the world. As a result, hospitals are not built, schools are not refurbished and jobs are lost. Misery and deprivation in our communities here in the UK is caused by tax avoidance, so it is time to stop taking piecemeal action in fighting it. It is time the Government dealt with the problem head-on. If the Government wanted to do anything about the tax avoidance industry, they would lift their heads up from fiddling about with the detail of successive Finance Bills and agree to the proposals the Opposition have tabled.

The Labour party is calling for the new Britain, which will soon be making its way out of the EU, to take a central role in the OECD initiative to fight corporate tax avoidance such as the base expansion scheme to fight transfer pricing and other corporation tax dodges. We are calling for support for the EU’s recent initiative to confront the fact that billions of dollars in tax are being avoided by the world’s largest corporations.

We must stop the game that the tax dodgers and their well-paid advisers play with HMRC. We must stop the warped and dysfunctional dance between them, in which sweetheart deals are done with companies such as Vodafone, Google and Goldman Sachs. We must invest in HMRC, simplify our tax codes and build our laws on the simple principle that being a part of our society means paying a fair share towards its upkeep.

If Members of the House agree with those basic principles, I urge them to support the Opposition proposals as a small step towards that goal. Ultimately, however, I hope the Minister has listened carefully, because we deserve much more than the few tax avoidance provisions in the Bill. I should like to press new clause 13 to a Division.

Jane Ellison: It has been a wide-ranging and at times passionate debate. I shall address the Government amendments before addressing the amendments and new clauses tabled by the Opposition.

Clause 155 makes an administrative change to strengthen the procedural efficiency of the GAAR. Amendments 136 and 137 make small technical changes to the clause, which were introduced by clause 154. The new terms provide a new way of counteracting under the GAAR procedure to enable the same advisory panel opinion to apply to multiple users of marketed tax avoidance schemes. We believe that the changes will streamline the procedure without altering the fundamental test to which taxpayers are subject under the GAAR. They will ensure that a provisional GAAR counteraction will apply equally to all counteraction procedures, and enable tax to be protected for the cases that we intend to address.

Amendment 145, to which the right hon. Member for Don Valley (Caroline Flint) spoke, would give the Treasury the power to require groups to publish a country-by-country report showing their profits, taxes paid and other financial information for the countries in which they operate. As she and others acknowledged in the debate, the UK has led international efforts, although the hon. Member for Salford and Eccles (Rebecca Long Bailey), who spoke for the Opposition, was, to say the least, miserable about the leadership that the UK has shown. I did not recognise the description she applied, but others were more generous, noting the fact that the UK has rightly led those international efforts to tackle tax avoidance by
multinational enterprises, for all the reasons so brilliantly articulated by colleagues such as my hon. Friend the Member for Dover (Charlie Elphicke). We all support what he said. The Government have been a firm supporter of greater tax transparency and greater public disclosure of the tax affairs of large businesses. For those reasons, we fully support the intentions of amendment 145 and will support its inclusion in the Bill.

The Government have consistently pushed for a multilateral solution for country-by-country reporting. For example, the Chancellor made the case for looking at this at the G20 in July. Amendment 145 is very much in keeping with that aim and provides the Government with the power to implement when appropriate. It is none the less important that the power is used to deliver a comprehensive and effective model—as was acknowledged by the right hon. Lady—of public country-by-country reporting that is agreed on a multilateral basis. I am sure we will return to this issue and the basis on which we can go forward. It means a model that requires all groups, both UK headquartered and non-UK headquartered, to report accessible information for the full range of countries in which they operate. It is vital for ensuring that the policy intention of greater transparency is delivered. It is also important for ensuring that UK headquartered groups are not put at a competitive disadvantage. Again, I pay tribute to the right hon. Lady for recognising that concern, as expressed earlier in the year in a previous stage of the Bill, and that disclosure requirements cannot be avoided through group restructuring—another issue that we want to ensure we are on top of.

The Government remain focused on getting international agreement for such a model, as part of their continued efforts to ensure that taxes are paid and paid in jurisdictions where economic activities take place. The right hon. Lady and the House have my assurance that the Government will continue to take every opportunity to champion this agenda at an international level. It is increasingly clear that we move forward with a welcome degree of agreement across this House.

Caroline Flint: I thank the Minister for the Treasury’s decision to support my amendment. I hope we can work together to consider how we can make the journey to introducing this in this country, with others, a real possibility in the future.

Jane Ellison: Indeed. We have seen, in other areas where we have shown leadership, how much can happen in a very short space of time, so we are optimistic that we can make progress with a welcome degree of consensus across the House.

Amendments 163 to 168, 170 to 173 and new clause 12 all concern penalties for offshore tax avoidance and evasion. Clause 161 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. They would introduce a penalty of up to 100% of the tax evaded and public naming for the most serious cases. Amendments 163 and 164 would include within the penalty provisions the option of charging a penalty of up to 100% of any fee paid by a taxpayer to the enabler for the enabling service received.

Fees charged by organisations can take a vast array of different structures and formats. Without a clear definition of what constitutes fees, or how the fee relates to the services provided, we believe it would be disproportionately burdensome for HMRC to apply and use such a penalty. A penalty based on tax lost is a much clearer and more easily defined concept, which better meets the objective of sending a strong and clear deterrent.

Amendments 165 and 166 would increase the minimum penalties chargeable for deliberate offshore tax evasion. Again, the Government have significantly increased sanctions that can be applied for offshore tax evasion. However, we have to balance that against the need to maintain the proportionality of our penalties and retain the incentive for taxpayers to comply voluntarily and co-operate with HMRC, an area in which we have seen considerable activity. We therefore believe that the ranges we have set out provide a good balance. However, as with all of our penalties, we keep the rates under review.

Amendments 167 and 168 would make it compulsory for HMRC to publish details of those tax defaulters who meet the relevant criteria. Obviously, public naming incentivises evaders to come forward voluntarily and co-operate, but it allows the naming of those who refuse to co-operate with HMRC. In the vast majority of cases, we would expect HMRC to name those who meet the criteria. However, mandatory publication would be inappropriate in some particular exceptional circumstances, or perhaps when there are wider consequences, such as economic market impacts from the information becoming public.

Clause 164 and schedule 22 introduce a new asset-based penalty for the most serious cases of deliberate onshore tax evasion, where the tax loss exceeds £25,000, and would levy a penalty of up to 10% of the value of the asset connected to the evasion in addition to any other tax-geared penalties and interest due.

10 pm

Amendment 170 would apply a higher penalty of up to 15% of the underlying asset rather than the 10% set out in the Bill. This level of penalty was carefully considered when it was set, accounting for international comparisons. The Opposition referred to that and to the fact that this is a new approach to penalties for UK tax matters. The Government have also consulted and engaged with stakeholders, balancing the arguments that have been set out. We feel that the legislation as it stands allows for a substantial penalty for deliberate tax evasion and will provide a significant deterrent. It is not clear to us, however, that an arbitrary 5% increase in the maximum would significantly increase the impact of the penalty.

Clause 165 introduces a new criminal offence of persistent offshore tax evasion. Crucially, though, the offence does not require the prosecutors to prove that the taxpayer intended to evade their UK tax responsibilities offshore, increasing our ability to prosecute. A successful conviction on this offence could result in a fine or a prison sentence of up to six months.

New clause 12 introduces a requirement to publish a report on the impact of the new criminal offence within a year of the Act 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. We feel that this therefore makes the provision redundant.

Amendments 171 to 173 will introduce a further defence to this criminal offence where a person believed that the information supplied to HMRC was “true and accurate”. These amendments will not work in practice. The part of the clause to which they relate is the offence of failure to notify HMRC of chargeability and failure to make a return. In both those cases, no information would have been supplied to HMRC, so this defence could not be applied. While amendment 173 relates to inaccuracies in documents supplied to HMRC, we feel that the amendment is unnecessary because the offence already has a defence of having taken “reasonable care” to get one’s affairs right, which would imply that the taxpayer believed that they were “true and accurate”.

New clause 7, tabled by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), would legislate for a review of the impact of the tax regime for Scottish limited partnerships on the levels of tax avoidance and evasion. A Scottish limited partnership is treated for tax purposes as a tax transparent vehicle in the same way as a limited partnership established in England and/or Wales. As he set out in moving the new clause, a limited partnership established in Scotland has a separate legal personality, which means that the partnership itself can own assets and enter into contracts. The Government are committed effectively to tackling tax avoidance, evasion and aggressive tax planning, including where partnerships are involved. Indeed, this has secured an additional £130 billion in compliance yield since 2010.

Last month, the Government launched a consultation to look at partnership taxation, including proposals to clarify the tax treatments of varied types of partnership. We will obviously welcome the SNP’s engagement in that exercise, and I would like to offer some reassurance regarding the recent allegations in the media about the use of SLPs by criminal organisations. The Government take extremely seriously the points raised and are working collaboratively across Departments and law enforcement agencies to tackle crime and fraud robustly.

Kirsty Blackman: It is not entirely clear. Will the Minister let us know whether she will support the inclusion of new clause 7 on the basis that, as she has just made clear, it would be a good idea and important to do so? If she is not willing to support it, will she justify why the Government are willing to leave the loophole undiscussed and in place?

Jane Ellison: As I have just laid out, consultation is under way, which provides an opportunity to look at those precise issues. As I said, I invite the SNP to engage with that consultation.

Turning to deal with the lengthy speech and case made for Labour’s new clause 13, which provides for a report on the UK tax gap, the tax gap is an official statistic published each October and it is produced in accordance with a code of practice for official statistics, which assures objectivity and integrity. The methodology is judged by independent third parties to be robust, and it has been intensively reviewed and given a clean bill of health by both the International Monetary Fund and the National Audit Office. There is therefore no need for a report on the tax gap. Furthermore, HMRC publishes a methodological annexe alongside the tax gap publication, which provides details of the data and methodology used to produce estimates of the gap.

I think it fair to say that, in speaking about new clause 13, the hon. Member for Salford and Eccles painted a picture which, on the Government of the House and, I suspect in other parts as well, could be regarded as at the very least ungenerous and in many ways inaccurate, unfair and, indeed, unrecognisable, given the way in which she downplayed the efforts made by the Government. To call that tinkering at the edges is simply nonsense.

Since 2010, the Government have given HMRC £1.8 billion to tackle evasion, avoidance and non-compliance, and, as I said earlier, over that period HMRC has secured £130 billion in additional tax revenues. We have shown considerable ambition, and, as other Opposition Members have been generous enough to acknowledge, international leadership. I therefore do not accept the criticisms that were voiced from the Opposition Front Bench. It is also worth noting that in the summer Budget of 2015, the Government invested a further £800 million to fund additional work to tackle tax evasion and non-compliance.

No Government, particularly the last Labour Government, have come close to being as ambitious as we have been since 2010 in respect of this important agenda. The fact that there was considerable agreement across the House in the earlier part of the debate, and the fact that the Government have accepted the amendment tabled by the right hon. Member for Don Valley, gives some weight to our claim that we are beginning to strike a UK consensus about the need to tackle this problem, and we have a chance to continue to make progress. I know that there is an appetite to return to these issues. There is a real desire to see the Government continue to lead internationally on avoidance and evasion, and the House can be reassured that that is exactly what we intend to do.

Mr Speaker: Does the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) wish to respond, which he is permitted, but not required, to do?

Roger Mullin: A few words, Mr Speaker. I merely wish to say that I am incredibly disappointed that the Government have chosen to drag their feet on the issue of Scottish limited partnerships, and that, on the basis of their own arguments, we will press new clause 7 to a vote.

Mr Speaker: That was a commendably pithy speech from the hon. Gentleman, for which I think the House is almost audibly grateful, if I may put it that way.

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

The House divided: Ayes 248, Noes 304.

Division No. 55] [10.7 pm

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Allin-Khan, Dr Rosena
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Bennett, Mark
B进度, Mikey
(2) The report must include the following—

‘(1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, prepare and publish a report, in consultation with stakeholders, on the UK Tax Gap.

Question accordingly negatived.

New Clause 13

Report into the UK Tax Gap

‘(1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, prepare and publish a report, in consultation with stakeholders, on the UK Tax Gap.

(2) The report must include the following—
and tax evasion.'

collected in that financial year which derives from tax avoidance
HMRC should be entitled to collect and the tax actually
the difference in any financial year between the amount of tax

(3) For the purposes of this section, the “UK Tax Gap” means
the difference in any financial year between the amount of tax
HMRC should be entitled to collect and the tax actually
collected in that financial year which derives from tax avoidance
and tax evasion.”  
—(Rebecca Long Bailey.)
Tellers for the Ayes:  
Sue Hayman and  
Jeff Smith

NOES

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  
Baron, Mr John  
Barwell, Gavin  
Bebb, Guto  
Bellinger, Sir Henry  
Beresford, Sir Paul  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blunt, Crispin  
Boles, Nick  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, rh Karen  
Brady, Mr Graham  
Brazier, Mr Julian  
Bridgen, Andrew  
Brine, Steve  
Brookhaven, rh James  
Bruce, Fiona  
Buckland, Robert  
Burns, Connor  
Burns, rh Sir Simon  
Burt, rh Alistair  
Cairns, rh Alun  
Campbell, Mr Gregory  
Carmichael, Neil  
Cartidge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Therese  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Cox, Mr Geoffrey  
Crabb, rh Stephen  
Crouch, Tracey  
Davies, Byron  
Davies, Chris  
Davies, David T. C.  
Davies, Glyn  
Davies, Dr James  
Davies, Mims  
Davis, rh Mr David  
Dinenage, Caroline  
Djanogly, Mr Jonathan  
Dodds, rh Mr Nigel  
Donelan, Michelle  
Dorries, Nadine  
Double, Steve  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Dunne, Mr Philip  
Ellis, Michael  
Ellison, Jane  
Ellwood, Mr Tobias  
Elphicke, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh Mr David  
Fabricant, Michael  
Fallon, rh Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Frangos, rh Mr Mark  
Frazier, Lucy  
Frey, Mike  
Fulcher, Richard  
Fysh, Marcus  
Garnier, rh Sir Edward  
Garnier, Mark  
Gauke, rh Mr David  
Gibb, Mr Nick  
Gillan, rh Mrs Cheryl  
Glen, John  
Goldsmith, Zac  
Goodwill, rh 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, rh Ben  
Gyimah, Mr Sam  
Halfon, rh Robert  
Hall, Luke  
Hammond, Stephen  
Hancock, rh Matt  
Hands, rh Greg  
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  
Hollins, 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  
James, Margot  
Javid, rh Sajid  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jennick, Robert  
Johnson, rh Boris  
Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Jones, Mr Marcus  
Kawczynski, Daniel  
Kennedy, Seema  
Kirby, Simon  
Knight, rh Sir Greg  
Knight, Julian  
Kwarteng, Kwasi  
London, Mark  
Latham, Pauline  
Leadsom, rh Andrea  
Lee, Dr Phillip  
Leigh, Sir Edward
Question accordingly negatived.

Clause 155

GENERAL ANTI-ABUSE RULE: PROVISIONAL COUNTERACTIONS

Amendments made: 136, page 241, leave out lines 10 to 18 and insert—

"(d) a designated HMRC officer giving the taxpayer a pooling notice or a notice of binding under Schedule 43A which—

(i) specifies the arrangements and the tax advantage which are specified in the provisional counteraction notice, and

(ii) specifies the notified adjustments (or lesser adjustments) as the counteraction that the officer considers ought to be taken:

Amendment 137, page 241, line 29, after “the” insert “pooling notice or”.—(Jane Ellison.)

Schedule 19

LARGE BUSINESSES: TAX STRATEGIES AND SANCTIONS

Amendment made: 145, page 589, line 29, at end insert—

“(6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”—(Caroline Flint.)

New Clause 4

ASSESSMENT OF REVENUE FROM VAT ON WOMEN’S SANITARY PRODUCTS

“(1) The Chancellor of the Exchequer must carry out an assessment of the revenue raised from VAT on women’s sanitary products since 1 January 2001, and lay before Parliament a report of that assessment within 12 months of this Act coming into force.

(2) The report must include an estimate of the total revenue raised since January 2001 and provide information about government policy relating to this revenue.”—(Paula Sherriff.)

Brought up, and read the First time.

Paula Sherriff (Dewsbury) (Lab): I beg to move, That the clause be read a Second time.

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

Amendment 140, in clause 125, page 205, line 32, leave out from “after” to end of subsection and insert “1 January 2017”.

Amendment 142, page 205, line 32, leave out “such” and insert “1 April 2017, or on any prior”.

Amendment 144, page 205, line 32, leave out “such” and insert “1 April 2018, or on any prior”.

Amendment 145, page 589, line 29, at end insert—

“6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”—(Caroline Flint.)

Paula Sherriff: It is a pleasure to open this debate by speaking to new clause 4 and amendments 140 and 144. I thank both Front-Bench teams for ensuring that we have time to debate the issue today. It is, perhaps,
appropriate that a female Financial Secretary now sits on the Government Front Bench and has the chance to settle the matter.

It has taken us quite some time to get here. It was in January 2001 that the lower rate of VAT on women's sanitary products was applied. For that we owe thanks to many women MPs of that era, as well as to the then Minister, Dawn Primarolo, who now sits in the other place. During the passage of the Finance Bill last year, I was proud to lead a cross-party group of today's women MPs, including many on the Labour Benches, and others such as the hon. Members for Glasgow Central (Alison Thewliss) and for Berwick-upon-Tweed (Mrs Trevelyan), in demanding that we finish the job, which led the Government finally to address the issue at European level. We should pay particular tribute to the many people outside this place who campaigned so hard on this very important issue, not least Laura Coryton, whose petition attracted hundreds of thousands of signatures.

Following that pressure, the Government accepted another cross-party amendment, this time in the Budget resolutions, for what I understand was the first time in history, and the then Prime Minister persuaded the European Council to issue a communiqué on the matter. The European Commission VAT action plan has now been issued and the Commission intends to table a proposal by the end of this year, though of course the UK has since voted to leave the European Union—off the back of a promise by Vote Leave that such a result would allow us to abolish the tampon tax outside the EU. I gently suggest to Government Members, especially those who campaigned for Brexit, that voting for the amendment would honour that promise, and their constituents might reasonably question why they would oppose it.

Whether we are in or out of the EU, there should be no barrier to ending the tax. There are promises both from this Government and from the winning referendum campaign to do so. The explanatory notes for clause 125, written before the referendum vote, state:

“This clause reduces the VAT rate on the supply of women's sanitary products from 5% to zero”.

but I hope the Minister will acknowledge that that is not really the case as the Bill stands. The clause does not zero-rate women's sanitary products; it just provides enabling powers for the Treasury to do so, if it chooses, and at a time of its choosing. That is why I originally tabled what is now amendment 142 in Committee, when my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) spoke to it. The then Financial Secretary—now the Chief Secretary—responded that he was “confident that by 1 April there should be no reason why the measure is not in place.”—[Official Report, Finance Public Bill Committee, 7 July 2016; c. 146.]

He said that the Government would therefore consider accepting the amendment. Since then, the hon. Member for Christchurch (Mr Chope) has tabled his own amendment, which would implement a zero rate from 1 January next year. It is fair to say that there is a cross-party desire to see the promise honoured as quickly as possible.

I acknowledge, however, that the complications of negotiating our exit may make the next tax year, let alone calendar year, a tight deadline for the Government, despite the previous Minister's confidence. For that reason, I have also tabled amendment 144, which provides for a later deadline of 1 April 2018—in other words, in time for the tax year 2018-19. I believe that this is a very reasonable deadline. By that point, our exit negotiations will be well under way, and the European Commission aims to have reformed its own laws to allow a zero rate by 2018. I reiterate the point made by the Minister in Committee when he said he was confident that by 1 April there should be no reason why this measure is not in place. Amendment 144 gives the Government a full additional year beyond a date that they were confident they could meet. However, should there be any delay, the timescale also allows the Government nearly two years to amend their legislation accordingly with the new dates. The Vote Leave alternative Queen's Speech included an entire Bill specifically to abolish the tampon tax, but a whole Bill is not necessary given the amendments that we have today, which would allow the Chancellor simply to propose a later deadline in next year's Finance Bill. The important point, however, is that Ministers should have to explain to this House why any delay was necessary, and we would need to vote to allow that.

The Government have tabled an alternative amendment of their own—amendment 161. While that seems to set 1 April 2017 as a default deadline, it makes it subject to “the earliest date that may be appointed consistently with the United Kingdom's EU obligations.”

In short, 1 April next year is not really the deadline at all, and instead we are subject to the Government's own interpretations of our EU obligations. I must also question the exact wording of the amendment. It does not refer to our obligations as a member of the EU, but just to our “EU obligations”. That seems to leave open the possibility that we might agree to keep a minimum rate of VAT as part of our exit negotiations. When I challenged the Secretary of State for Exiting the European Union on that earlier today, he certainly did not rule it out. Instead, he reflected that ability to set a zero rate was just one reason why people may have voted to leave, but did not actually pledge to deliver it. I am therefore not convinced that this amendment takes us much beyond the existing clause. Unless the Minister has some very strong arguments to address these points, I will press amendment 144, at least, to a vote.

That brings me to new clause 4, which touches on another issue that it would be helpful if the Minister addressed—the women's charities that have received funding from the tampon tax fund. This was quite understandably criticised by a lot of feminists, as it used a tax on women to pay for support that they often needed as a result of male violence. None the less, it was still better than nothing. Now it is set to be abolished. Can the Minister give us guarantees of stable future funding for these vital services? As she will have gathered from the wording of the new clause, I am making the point that the Treasury will have raised a considerable amount from women historically from the point in 2001 when the Government first made the decision in principle to apply the lowest rate available.

I would like to press Ministers again on one last issue—that the benefit of zero rates is not always passed on in full by the companies that set the prices. When the Labour Government cut the rate to 5%, they committed to monitoring prices to ensure that the cut benefited women rather than just boosting the bottom lines of
the businesses involved. I want to know whether this Government will take similar action. As the Minister may be aware, I have negotiated a deal with the leading retailers whereby they will pass on the cut in full. I hope that she will join me in urging these businesses to do that and to sign up to the agreement. Similarly, she will have heard the appalling reports of women turning up at food banks seeking sanitary protection products because they cannot afford them due to welfare cuts or poverty pay. I have reached an agreement with a major retailer that it will provide some free sanitary protection to food banks within my constituency. Can the Government offer any further such support to other constituencies?

I hope that today we can meet the promises made by European leaders, this Government, and indeed the winning referendum campaign. Anything less is simply not good enough for women. I hope that the Minister will accept at least one of my amendments and make it clear that the days of the tampon tax are nearly over for good.

10.45 pm

Mr Christopher Chope (Christchurch) (Con): I thank the hon. Member for Dewsbury (Paula Sherriff) for tabling her amendments, for speaking to this issue today and for having campaigned on it so effectively for so many months, if not years.

My amendment 140 would require the removal of VAT on women’s sanitary products to take effect by 1 January 2017. The background is that the former Prime Minister assured the House in March that he had succeeded in persuading the other 27 Heads of Government at the EU Council meeting on 17 and 18 March to allow the United Kingdom Government to respond to popular demand and extend the zero rate for VAT to women’s sanitary products. The former Prime Minister told the House:

“This is an important breakthrough. Britain will be able to have a zero rate for sanitary products”.—[Official Report, 21 March 2016; Vol. 607, c. 1246.]

On 24 March this Bill, then the Finance (No. 2) Bill, was published, and clause 125, as it now is—it was originally clause 115—was designed to implement the pledge on the abolition of VAT on women’s sanitary products and the introduction of a zero rate, but when the EU VAT action plan was published on 7 April it did not deliver on what the Prime Minister must have thought he had been promised at EU Council meeting in the previous month.

I tabled a couple of parliamentary questions on the subject. The first was:

“To ask Mr Chancellor of the Exchequer, what information his Department holds on the reasons why the EU Action Plan on VAT consultation document issued...on 7 April 2016 omits any reference to the decision of EU Heads of Government that the UK can remove VAT from women’s sanitary products”. The answer I received was typically helpful from my right hon. Friend the Chief Secretary, then the Financial Secretary, and said:

“The content of the EU VAT Action Plan is a matter for the European Commission. European Council Conclusions welcomed the intention of the Commission to include proposals for increased flexibility for Member States with respect to reduced rates of VAT, which would provide the option to Member States of VAT zero rating for sanitary products”.

I then asked my right hon. Friend the Chief Secretary on what date he expected the removal of VAT from women’s sanitary products to take effect, and he replied on 18 April:

“The zero rate of VAT for sanitary products will take effect as soon as possible after Royal Assent.”

There was no mention of any constraint in EU law that would prevent the early implementation of the pledge that the Prime Minister was able to deliver following that European Council meeting.

Alison Thewliss (Glasgow Central) (SNP): I thank the hon. Gentleman for the support he has given to the campaign and for his research, in addition to the work done by my honourable colleagues on the SNP Benches. Does he agree that it does not feel like progress or much like a victory if I still have to pay tax on the tampons I am using today?

Mr Chope: I fully accept what the hon. Lady says. This whole saga illustrates the frustration that many of us have felt in this House for a long time that the European Union works extremely slowly and very deviously. That was what the referendum was all about: it was about taking back control of these decisions to this House and being able to implement decisions quickly, effectively and in accordance with the wishes of the British people. Unfortunately, we have not had an instant departure from the European Union. We have to negotiate our departure and serve article 50 and so on, but in the meantime there is a lot of frustration. I accept. That has been exacerbated by the way the previous Government played down—let us be generous to them—the EU impact in this regard before the referendum. They did not want people to think that there was another reason to vote to leave, so that we could remove VAT from women’s sanitary products.

On Second Reading of the Finance (No. 2) Bill, my right hon. Friend the then Financial Secretary, who is now the Chief Secretary, said:

“The Government are committed to making that change...I am proud that in the Finance Bill we are legislating to enable zero VAT rates for women’s sanitary products.”

I then intervened and said:

“I congratulate my hon. Friend on the progress he has made. Why does clause 115 say that the measure will not come into effect when the Bill receives Royal Assent, but is subject to the Treasury introducing a provision at some later stage? Why can we not legislate on this in the Bill without any qualification?”

My right hon. Friend replied:

“It is customary, with changes in VAT rates, to give retailers notice. It is not usual for VAT changes to be put in place on the date of Royal Assent, as notice is usually provided. I reassure my hon. Friend that the intention is to provide a short period of time, following Royal Assent, in which retailers will have an opportunity to adjust prices. This is no desire by the Treasury to kick this into the long grass—we want to make progress on the matter”.—[Official Report, 11 April 2016; Vol. 608, c. 102.]

I think that that was a very disingenuous remark, because there was no reference to any EU constraint. The impression given was that it was all being sorted out with the European Union and that it would be delivered through clause 115, as it then was, very quickly. Somebody in the Treasury must have known or suspected that it would not be delivered in the time envisaged or, perhaps, at all, but nobody wanted to disclose that to the British people in the run-up to the referendum.
I have heard that an agreement was made between remainers in the then Government and in the Opposition to try to prevent the issue from being raised on the Floor of the House, in the Finance Bill, close to the time of the vote.

Is it not fantastic that we now have the freedom to do these things ourselves, in our own sovereign Parliament, in accordance with the wishes of the people? I hope that the new Treasury team will be much more open and transparent in the way they deal with such issues. If there is an EU constraint, let us say so.

I welcome Government amendment 161, because it says that the measure will take effect after the later of 1 April 2017 or “the earliest date that may be appointed consistently with the United Kingdom’s EU obligations”, whatever that might mean. Why, however, was that not included in the Bill to start with? It was never going to be possible for the measure to be implemented at an earlier date than was consistent with our EU obligations. People were led up the garden path: they were led to believe that there was going to be an instant delivery, but we now know that that is not going to happen. I hope that when we come to look at the wider issues of VAT, we will get on with, for example, removing the 5% VAT on domestic fuel, which we in the leave campaign made an issue during the referendum.

It was a long time ago, but it was on 1 April 1973 that VAT was introduced in our country as a requirement of our decision to join the European Union. At that time, the rate was 10% and the yield was £1.5 billion a year. The standard rate was increased in January 2011 and it has been 20% since then, and that raises £100 billion a year.

After leaving the European Union, we will be free to set our rates of VAT at whatever level we wish.

John Redwood: Did my hon. Friend note that in the consultation document that the EU issued, not only did it not honour the pledge to our Prime Minister, but it made an issue during the referendum. I have heard that an agreement was made between the new Treasury team and the remainers in the then Government and in the Opposition to try to prevent the issue from being raised on the Floor of the House, in the Finance Bill, close to the time of the vote.

I wonder why that is!

I thank the Government for their movement on this issue already. In my short time as an MP, there has been a major change in VAT on sanitary products, and I appreciate the Government taking that on. We owe huge thanks to the women who have campaigned about this, not only those in the House—such as my hon. Friend the Member for Glasgow Central (Alison Thewliss), the hon. Member for Dewsbury (Paula Sherriff) and other Members from across the House—but all the other women who have put their time and effort into campaigning.

I would like to highlight briefly some of the anomalies that continue in relation to sanitary products and VAT. VAT is still levied on incontinence products. Unless someone fits a very narrow definition of “disabled” under the law, they pay VAT on incontinence products. In the UK, between 3 million and 6 million people suffer from incontinence, and the UK Government receive the VAT from the sale of those products. I do not think that that is right; I think that those individuals should be able to get incontinence products VAT-free, because they are a necessity for those 3 million to 6 million people.

The other anomaly in the system concerns breast pads. If someone who is breastfeeding has an excess supply of milk and is therefore leaking milk, they require breast pads. There are no two ways about it. They absolutely require those pads, or they will be covered in milk. Having done that a number of times myself, I am well aware of the pitfalls.

Alison Thewliss: Having breastfed my children, I well know that circumstance and how it can arise. This points to the need for a wider review of VAT—perhaps at the point of Brexit, or even starting now—on items that have emerged into the market. Breast pumps, for example, are still liable for VAT, whereas formula is not. That has a disproportionate effect on people who choose breastfeeding over formula feeding.

Kirsty Blackman: I absolutely agree with my colleague. If we are to encourage breastfeeding and to make it as accessible as possible for people, we need to ensure that the products they require to breastfeed well, and without making too much mess, are appropriately VAT-rated. The interesting thing is that the zero-rating guidance was written a long time ago, and it is not appropriate for today’s society. If the Government were, as my hon. Friend suggests, to commit to undertake a proper review and making sure that people are not unfairly penalised for buying essential, necessary products, I would very much appreciate it.

11 pm

Rebecca Long Bailey: I rise to support amendments 142 and 144 and new clause 4, in the name of my hon. Friend the Member for Dewsbury (Paula Sherriff). I stress that no deals have been struck with the Government on this issue, although we are open to being flexible and
to discussing the matter at length with Ministers. I specifically congratulate my hon. Friend and all hon. Members who have campaigned so fervently on the issue. I will keep my comments brief, as my hon. Friend has already made her case very well. I confirm that she has the full support of the Opposition.

The amendments are designed to ensure that the Government’s pledge to abolish the so-called tampon tax has a clear deadline for implementation. My hon. Friend proposes 1 April 2017 or 1 April 2018. I must stress that Government amendment 161 does not address, and in fact suggests a degree of ambiguity, on this specific issue and the scope of our negotiations about VAT within the ambit of our EU membership. The job is not yet done, as the Minister knows. I know that she supports the idea generally and I welcome the comments she is likely to make, but more pressure is most certainly needed.

The explanatory notes to clause 125 state:

“This clause reduces the VAT rate on the supply of women’s sanitary products from 5% to zero%.”

The Minister will be well aware that that is not the case. The clause does not zero-rate women’s sanitary products; it just provides the Treasury with enabling powers to do so at a time of its choosing and leaves wide open the question of when it will do so. My hon. Friend’s amendments would rectify that by imposing deadlines by which the tampon tax must be a thing of the past—1 April 2017 in amendment 142, or 1 April 2018 in amendment 144. I hope the Minister will accept one of those amendments. I see no real reason why the Government need to delay this further, especially in the light of the decision to leave the EU.

John Redwood rose—

Rebecca Long Bailey: I am conscious that we are trying to make progress, so I am afraid that I will not take any interventions.

As was said earlier, the Chief Secretary to the Treasury stated during the debate in the Public Bill Committee:

“I am optimistic that we will have the measure in place by 1 April 2017; I am happy to put that on the record.”

He also stated that

“the Government have an open mind as to whether we would accept the amendment on Report, when we hope to have greater clarity. We are confident that by 1 April there should be no reason why the measure is not in place. It is possible that the Government will come forward with our own amendment, but we may well simply accept amendment 5.”—[Official Report, Finance Public Bill Committee, 7 July 2016, c. 146].

As has been noted, my hon. Friend has indeed tabled such an amendment again, and a second amendment that would allow the Government even more flexibility by providing an extra year. The hon. Member for Christchurch (Mr Chope) made some very important points, and tabled another amendment setting a deadline of the start of the next calendar year. The Minister therefore has a vast array of options—more than the Government did in Committee—so I hope she will not disappoint my hon. Friend and, for that matter, the rest of the House.

A related issue has been raised a number of times with the Minister, but I am not convinced it has been fully addressed, so I would be grateful if she provided further clarification. There is concern that the full benefits of the zero-rating of sanitary products will not be passed on to women, and that some retailers will simply seek larger profit margins. When the rate of VAT was reduced to 5%, the Government said they would monitor whether the benefits were passed on to consumers. I asked the Minister in the Public Bill Committee to provide more information about whether this assessment ever occurred, and if so, what the data showed. Will she provide an answer? My hon. Friend has of course taken the initiative in negotiating directly with some retailers, who have committed to passing on the cut in full, but some smaller retailers may not do the same. What steps will the Government take to ensure that women will benefit from this change, not the pockets of retailers?

Finally, my hon. Friend has also tabled new clause 4, which would require the Chancellor to carry out an assessment of the revenue raised from VAT on women’s sanitary products since 1 January 2001, when the then Labour Government introduced the lower rate of VAT, and to lay before Parliament a report of that assessment within 12 months of the Act coming into force. It must include an estimate of the total revenue raised since January 2001, and provide information about government policy relating to this revenue. As my hon. Friend has explained, that would address future funding for women’s organisations that benefited from the tampon tax fund set up by the previous Chancellor when pressure was originally brought to bear over the issue. We hope that the Minister can give us some reassurances that those services will receive the secure long-term funding they deserve. Should my hon. Friend divide the House, we will support the new clause.

I urge the Minister to accept at least one of my hon. Friend’s amendments and to bring to a conclusion the campaign against the tampon tax, an outcome that will owe much to the hard and determined work of my hon. Friend, along with the women who have fought for it outside this place. Finally, I place on the record my support for the comments made by SNP Members on maternity products, another area that I urge the Minister to look into.

Jane Ellison: I rise in 2016 to resume a debate that I first started with some college friends in 1986; I did not think then that this subject would end up being debated across the Chamber of the House of Commons, but I am glad that we are doing so.

The issue of VAT on women’s sanitary products—the tampon tax—has inspired a great deal of interest, as the speeches in this debate and the interest from our constituents have demonstrated. I will try to explain the Government’s approach and the amendment that we have tabled, and to give the Opposition some comfort on some of the questions they have asked, because there really is not very much between us on this issue and we want to try to make progress.

The Bill as it stands includes provisions to apply a zero rate of VAT to women’s sanitary products, with the intention being to do so as soon as possible. The Government strongly support doing so. We agree with the argument put forward by many hon. Members, including the hon. Member for Dewsbury (Paula Sherriff), that VAT should not be applied at the current 5% reduced rate. We have a shared objective of achieving that goal as quickly as we can, in a manner that is legal and
proper—I will come back to that—and that, in our new changed circumstances after the referendum vote, will not have a negative impact on our negotiations over the UK’s exit from the European Union.

Achieving that shared goal in a legal manner before we leave the EU requires a change in EU legislation. That must follow a proposal from the Commission and the unanimous agreement of all member states. We have been actively pursuing that, and have made progress, which some Members have alluded to. The former Prime Minister secured the unanimous agreement of all EU Heads of State and Government that the rules must change at the Council in March. Prior to the referendum we received assurances from the Commission that it would publish a legislative proposal for us at the earliest opportunity and definitely before the end of this year. When the Government introduced the Finance Bill, they expected to be able to apply the zero rate soon after Royal Assent.

The referendum result changes the circumstances—my right hon. Friend the Chief Secretary to the Treasury explained in Committee that the result affected the prospects for rapid implementation. However, I reassure those Members who have tabled amendments and all other hon. Members that we will not rest on the issue. The Government will continue to push for the proposal to be brought forward and agreed to as soon as possible. However, until we leave the EU we need the legislative change to introduce zero-rating; until we have it, fixing a date risks contravening EU law at a time when we are entering critical negotiations with the EU about our future.

Turning to those negotiations, the Prime Minister has been very clear that our rights and obligations remain in place until we leave the European Union. That is important: at this time it would be against the UK’s interests and the interests of all our constituents and of the businesses and universities in our constituencies to go into conflict with our legal obligations. We would risk jeopardising our negotiating position by pre-empting EU legislation on sanitary products. We would also risk the UK’s rights in other areas where we expect other EU member states and the Commission to respect their obligations to us. As the Secretary of State for Exiting the EU said in his statement earlier, we must act in good faith towards our European partners. That is why the Government have proposed an alternative amendment that delivers on the intentions of the hon. Member for Dewsbury and my hon. Friend the Member for Christchurch (Mr Chope), I have tried to offer them and other hon. Members reassurance that the Government and I want the tampon tax removed as soon as possible. We will keep up our engagement in Europe to secure that, but, equally, hon. Members will understand that the Government must act in accordance with the law. Until we leave the EU, that includes our obligations, as I have said. Those obligations prevent us from removing the tax at the moment. We are trying to change it, but we cannot be certain of the timetable, because such legislation has to be agreed by all 28 member states.

For that reason, we must oppose the amendments—they would set in UK law a fixed latest date for zero-rating—but I stress again that there is no great difference between our intention and that of Opposition Members. We all want the tax ended as soon as possible. I hope that will happen by 1 April 2017 and I am even more hopeful that it will happen by 1 April 2018, but it cannot be guaranteed. The Government’s amendment will ensure that zero-rating starts domestically at the first opportunity consistent with our legal obligations.

I ask Members to look at what we are saying and to realise how close together we are. I also urge them not to be irresponsible in supporting something that will bring us into breach of our obligations. The duty in the amendments proposed by the hon. Member for Dewsbury would impose a requirement on the Government to act illegally. We would be in breach of articles 1 and 110 of the principal VAT directive. Whatever Members’ views are of what the directive requires—we are making progress towards changing it—I would be surprised if members of Her Majesty’s official Opposition, or indeed any Member of the House, thought we could disregard it at such a crucial juncture, when the disregarding of the Commission’s and other nations’ obligations towards us could be significantly against the UK’s national interest. I again quote my right hon. Friend the Secretary of State for Exiting the European Union from earlier today, when he said:

“Until we leave the European Union, we must respect the laws and the obligations”
of membership. I agree with him.

I have every sympathy with the hon. Member for Dewsbury—[Interruption.] I should say that I have every sympathy with the amendments. I think she hinted that, if we do not have the legal change we need by 2018, the Government might have to introduce other measures. Our amendment solves the problem of having to revisit a law we have passed that we know might be illegal by April 2018. I suggest that that is not the most sensible way to legislate. The Government’s amendment achieves the same thing but keeps us within our legal obligations.

The other amendment tabled by the hon. Member for Dewsbury calls for a report on the revenue accrued from VAT on zero-rated sanitary products since 2001 and the tampon tax fund. I am very happy to reaffirm the Government’s commitment to the fund. As I have said, we are taking all actions available to stop charging this
VAT as soon as possible, but until that can be achieved the revenue it raises will be put into the tampon tax fund and directed to women’s health and support charities. So far, the £15 million a year fund has supported 25 charities, including many that are well known to us in this House: The Eve Appeal, SafeLives, Women’s Aid and the Haven. I am sure many of us will be “wearing it pink” next week. We will think then of the wonderful charities—I am very familiar with them from my previous role as Public Health Minister—that are benefiting. Funding has also been allocated to Comic Relief and Rosa—again, a charity I know very well—to disburse so far, the £15 million a year fund to support women’s organisations in the shortest time possible. In the meantime, we cannot set a specific date because we are obliged by EU law. The hon. Member for Dewsbury can chalk up for women’s sanitary products as soon as possible, but I cannot support the amendment.

Paula Sherriff: I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

Clause 125

VAT: Women’s Sanitary Products

Amendment proposed: 144, page 205, line 32, leave out “such” and insert “1 April 2018, or on any prior”.—(Paula Sherriff.)

The House divided: Ayes 235, Noes 291.

Division No. 57] [11.17 pm

AYES

Abbott, Ms Diane—[P aula Sherriff.]
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Allin-Khan, Dr Rosena
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burton, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creasy, Stella
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, rh Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Day, Martyn
De Piero, Gloria
Debonaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elliott, Tom
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Fielio, Robert
Fletcher, Colleen
Fint, rh Caroline
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gibson, Patrícia
Glass, Pat
Glindon, Mary
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendy, Drew
Hepburn, Mr Stephen
Herron, Lady
Hiller, Meg
Hodgson, Mrs Sharon
Hollett, Kate
Hosie, Stewart
Hunt, Tristram
Hussain, Imran
Johnson, rh Alan
Jones, Gerald
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Kendall, Liz
Kerevan, George
Kinhahan, Danny
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Laverty, lan
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeill, Mr Angus Brendan
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCagg, Callum
McCarthy, Kerry
McCartney, Jason
McDonagh, Siobhain
McDonald, Andy
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Mea...
Tellers for the Ayes:

Sue Hayman
Jeff Smith

NOES

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
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew

Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Mr Mr Andrew
Smith, Angela
Smith, Nick
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Streeting, Wes
Tami, Mark
Thewliss, Alison
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
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
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wright, Mr lain
Zeichner, Daniel

Davies, Dr James
Davies, Mims
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Dorries, Nadine
Double, Steve
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
Ephicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Sueia
Field, rh Mr Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freer, Mike
Fuller, Richard
Fysh, Marcus
Gamier, rh Sir Edward
Gamier, Mark
Gauke, rh Mr David
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, rh Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
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
Hollinrake, Kevin
Hollowbone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
James, Margot
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, rh Boris
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Leigh, Sir Edward
Letwin, rh Mr Robin
Lewis, Brandon
Lewis, rh Dr Julian
Lidington, rh Mr David
Lopresti, Jack
Loughton, Tim
Lumley, Karen
Mackinlay,4 Craig
Mackintosh, David
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Karl
McLoughlin, rh Mr Patrick
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
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
Mowat, David
Mundell, rh David
Murray, Mrs Sheryl
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Dr Matthew
Clause 125

VAT: women’s sanitary products

Amendment made: 161, page 205, line 33, at end insert—

“( ) The date appointed under subsection (5) must not be after the later of—

(a) 1 April 2017, and

(b) the earliest date that may be appointed consistently with the United Kingdom’s EU obligations.”—(Jane Ellison.)

Bill to be further considered tomorrow.

Business without Debate

HIGHER EDUCATION AND RESEARCH BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the Order of 19 July 2016 (Higher Education and Research Bill (Programme)) be varied as follows:

In paragraph (2) of the Order (Conclusion of proceedings in Public Bill Committee) for

“Thursday 13 October 2016” substitute “Tuesday 18 October 2016”.—(Guy Opperman.)

Question agreed to.

DELEGATED LEGISLATION

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

DANGEROUS DRUGS

That the Misuse of Drugs Act 1971 (Temporary Class Drug) Order 2016 (S.I., 2016, No. 650), dated 13 June 2016, a copy of which was laid before this House on 15 June, be approved.—(Guy Opperman.)

Question agreed to.

SCOTTISH AFFAIRS COMMITTEE

Ordered.

That Mr David Anderson and Kirsty Blackman be discharged from the Scottish Affairs Committee and Deidre Brock and Ian Murray be added.—(Bill Wiggin, on behalf of the Committee of Selection.)
Private Finance 2/Private Finance Initiative

Motion made, and Question proposed, That this House do now adjourn.—(Guy Opperman.)

11.30 pm

Stella Creasy (Walthamstow) (Lab/Co-op): Most MPs can show in their constituencies where there are rotting floors, outdated buildings and potholes. Some may even have made a website about it, but the truth is that this is no laughing matter. We know that our schools in this country are falling apart, and that investment in our education buildings is 18% lower in 2014 than it was in 2009. Britain is now ranked 24th by the World Economic Forum for the quality of its infrastructure, down from 19th in 2006, and we cannot see this getting any better. Indeed, spending on infrastructure has nose-dived since Brexit.

Whatever some may say about fixing these problems, all of it has to be paid for, and Governments of all persuasions, including the previous Labour Government as well as the current Government, have used private finance to build. It is the equivalent of getting a mortgage or even remortgaging our home to pay for a new roof or an extension. Crucially in these deficit-denying times, it is seductive not only because it spreads payments for new schools, hospitals and stations and their management over decades or more, but because it keeps them off the books.

Jim Shannon (Strangford) (DUP): According to a report of 2014, in Northern Ireland there were some 39 PFI projects with a staggering total cost of £7.3 billion for the maintenance and so forth. Does the hon. Lady agree that any further PFI must be an absolute last resort and indeed should only be permissible in cases of extreme need?

Stella Creasy: I hope to convince the hon. Gentleman that there may be many alternatives to PFI, because the question for us is: at what cost have we engaged in this borrowing? We now pay £10 billion a year in PFI repayments, equating to £3,400 for every man, woman and child in Britain. These projects are worth £57 billion, but we are committed to paying back £232 billion by 2020.

It is clear that PFI has addressed some of the project management issues we had in the public sector that made it so bad at building. As the National Audit Office highlights, it has dramatically cut late delivery of projects and overspending on buildings, but as the Treasury Committee points out, it is “sub-optimal value for money”.

One hospital was charged £52,000 to demolish a plug socket to be replaced, five times the cost of the equipment it wanted to plug into it. In my constituency of Walthamstow, we have seen first-hand the damage done. My local hospital, Whipps Cross, is part of the Barts health foundation, which has the largest UK PFI deal, at £1.1 billion. By 2049 the amount paid back will be £7 billion. Last year alone the trust shelled out £148 million, equivalent to the salaries of 6,000 nurses, of which half was the interest paid on the loan. Its deficit of £90 million has led managers to downgrade nursing posts. It is little wonder the Care Quality Commission placed my local hospital into special measures as the quality of care declined.

The Minister will, I have no doubt, say his Government have reviewed PFI and made cuts to the costs, renegotiating to buy fewer lightbulbs and to do less cleaning, saving us a whole £1.6 billion out of about £220 billion, but as the NAO has pointed out, no one has really considered whether private finance itself is value for money.

Tonight I want to ask three simple questions: whether the terms of PFI—the rates we pay to borrow this way—are the best we as taxpayers can get to build schools and hospitals; whether even now we can save money on the costly deals that have been signed by Governments of all persuasions, and which are draining our public services of much-needed money; and above all whether the Government are doing enough to secure the competition for our business as taxpayers.

Of course it is hard to answer those questions without the data on what we are paying. I know that the Government do not have those data, because I have asked. I tried asking all the hospitals around the country what rate they were paying, because on 8 February this year Treasury Ministers told me that they do not hold those data centrally. Most NHS trusts refused to disclose the information, claiming that it was commercially sensitive, but those that did were very revealing. Their data showed that, in December 1994 under John Major’s Government, two PFIs in Durham—one for the Dryburn district hospital and one for the Bishop Auckland general hospital—had rates of return of 15% and 18% respectively. In comparison, the 10-year gilt rate was just over 8% at that time. In December 2002, the Crosshouse maternity hospital in Kilmarnock was rated at 16%, while a month later Edmonton acute services were rated at 14%. The gilt rate was 4.6% at that time. In March 2010, the Leeds Wellbeing Centre offered a return of 14% and the Liverpool University hospital redevelopment offered 11%. The long-term gilt rate was then 4.2%.

Some people will argue that we cannot make a direct comparison with gilt rates, so let me flag up the fact that equity returns on the stock market have averaged between 5% and 6% per annum over the past 30 years. It is therefore clear that PFI investors got a great rate, and that was no accident. Critically, research from Edinburgh University shows that these rates do not vary as other premiums do in our financial markets, and that they stay well above the cost of other forms of funding. So public bodies might know full well that the premiums are high, but if that is the return that the market expects for managing the projects and there is no alternative, there is not much they can do without the Government’s help.

I should also point out that those are the rates for when the contracts were signed. As we now know, much profit has been made by selling the debts on. The South London Healthcare NHS Trust, which collapsed, had two large PFI contracts, one of which was offering investors 71% returns of 17%. Most PFIs have been let on an expectation of an already high rate of return of 15% to 17%, but refinancing has seen some returns to investors rise to over 70%.

In 2007, a new standard contract clause was created to allow authorities to request this financial information in order to track the returns that investors were creating. However, there is little evidence that the clause has been
used or even that the Government have promoted it, so it is hard for us to see just how much taxpayers’ money is being recycled into higher payments for investment funds rather than into infrastructure for the UK. Again, no central database exists.

We might not know what we are paying, but we do know who we are paying, and it is often the same companies, with 45% of projects funded by the same people. Firms such as Dalmore Capital, Semperian, Kajima, Innisfree and Barclays crop up time and again, and they often invest together too. This dominance by a small group of companies matters because this Government are continuing to use their services in their proposed replacement for PFI, known as PF2. PF2 separates out the service element—the building management—from the capital, which involves the building of the project. So far, so good. Those lightbulbs might be replaced after all, if their cost is not connected to the cost of building the schools.

However, PF2 is supposed to attract more long-term investors by increasing the requirement for equity—the most expensive bit of the deal—potentially making it even more expensive to the public purse than PFI. It also expects us as taxpayers to take on more—not enough to be in charge of the project, but more to cover the cost. So it is not that different from PFI. It is still about us borrowing money from private companies to build things, at rates that are not transparent or competitive with the alternative sources of finance that we could raise.

Are there better ways to borrow to build? Certainly the calculations used by the Government in the Green Book to compare the cost of these deals with public spending have not made that question easier to answer. They set the value of public sector borrowing at 3.5% real and 6% nominal since 2003, despite the cost of public borrowing being well below that for over a decade. The Treasury Select Committee has suggested that the Government review the Green Book, but it is not clear that the Government have heard that message. Will the Minister tell us whether PF2 is using the same calculations as PFI, at the very time when the cost of borrowing to the public sector is even lower? The Green Book also includes the shadow price of tax—the money that private companies will pay in tax in the UK as a result of getting this business. That money is set against the cost of borrowing from those companies to decide whether the deal is better than using public money to fund a project.

The lack of information about such projects means that the Government are simply unable to verify whether the tax presumptions are accurate. The NAO suggests not. The companies themselves continue to be sited overseas. Innisfree and Palio Partners are sited in Guernsey, and Semperian is registered in Jersey. PF2 will do nothing to tackle that or to stop the resale of shares in such deals, which make more money by taking advantage of the fact that Governments do not default. What does the Minister make of the bosses of the Sandwell and West Birmingham Hospitals NHS Trust, who admitted that they could not stop Carillion, investors in the PF2 for the Midland Metropolitan hospital, from selling on its equity investment to generate the kind of profits that we saw under PFI?

At a time when huge spending cuts are being threatened and when the NHS faces a financial shortfall of £20 billion alone, to continue to pay inflated rates to rich investors is to continue to ignore the problems. A quarter of single-tier and county councils now spend the equivalent of 10% of their revenue on debt servicing. The answer to the first question is no; private deals are not always a good deal. We therefore need to answer a second question: if we cannot get out of them, can we renegotiate? Can we consolidate to reduce the repayments and put the savings back into front-line services? To date, sadly only Northumbria NHS Trust has done that and only at great expense to the council and with minimal savings. Imagine the savings that could have been achieved had the Government negotiated a group of the contracts with these companies at the same time. The savings in interest could be paying down debt or paying nurses and teachers properly.

We then face our final question: why are we borrowing only from these companies? Why are more companies not competing for our business as taxpayers? In the past few years, this Government have been making it harder for local government to pay down its debts. The Public Works Loan Board could use the Government’s financial strength as a borrower to secure much lower rates and then pass them on to public bodies. Instead, they changed the early repayment terms in 2007. In 2010, changes were made to loans to make it harder, not easier, for local councils to borrow efficiently.

If that does not excite Ministers, perhaps they will support an alternative in the shape of the new municipal bond agency created by local councils. The agency seeks to lend at margins of between 0.6% and 1% over the underlying Government funding rate. Currently, if a council wants to borrow money for 30 years from the Public Works Loan Board, it will charge just over 2%. In contrast to the complexity of PFI or PF2, municipal bonds are simple and transparent. Bonds are issued to the market to raise funds and local government lending is at a fixed rate.

The Government could make pensions funds more likely to invest in partnerships with Government by being more transparent about the deals and the returns to be made. The current Pensions Infrastructure Platform has led to such companies buying old PFI debt, but that can change. The Manchester and London local government pension funds have recently acted together to invest in windfarms and biomass, so there is clearly a market. With Government support, that could be the basis for a UK sovereign wealth fund—the people’s money used for the people’s projects. The sad truth, however, is that no such innovations are coming from this House or the Treasury, so why are we throwing good money after bad trying to make private finance initiatives work? With a Prime Minister who has pledged to put infrastructure investment at the heart of post-Brexit economy, Britain cannot afford to keep making expensive mistakes.

I have five simple questions for the Minister. First, will he commit to publishing the rates at which public agencies are borrowing so we can have greater transparency of the costs incurred to the taxpayer and so that we can check whether, as many fear, PF2 will be more expensive than PFI? When will the Government publish the equity returns data, promised since last year, on the PF2 deals? Secondly, is the minister not perturbed by the relationships between a small group of institutional investors in these
As such, partnerships between the public and private sectors can be the best way to find the best value for the taxpayer, and we are clear that we will only enter into public-private partnerships where the evidence shows us that is the case.

We have also done a lot of work to make sure that the system of financing projects privately is as effective as possible. The primary model used for about two decades was, of course, PFI. Although in many cases it was an effective way to deliver new infrastructure, it was not always the case that projects went smoothly, and not all of these partnerships delivered the value for money that we would all want to see. That is why, under the last Government, we did a lot of work to tackle that. We looked at what lessons we could draw from PFI and how we could keep the best parts of it while making important reforms. That culminated in the 2012 launch of a new model for how public private partnerships could work, PF2, which has helped iron out a variety of issues. For example, PFI was often criticised for its long procurement times, which could sometimes last for many years. PF2 has already been shown to deliver shorter procurement times, and has already delivered almost 50 schools and a hospital project.

Under the new system, we have also taken important measures to improve transparency, ranging from the annual publication of data to the Treasury’s involvement on the boards of the companies leading the projects, and we also listened to feedback from stakeholders to build in more flexibility to the standard contracts we used, which often dictated services such as cleaning and catering. These have been removed, which means that the public sector now has a greater say over how the services it uses are run. We also have improved the overall system for new projects going forward. We must bear it in mind that we have a legacy of more than 700 projects that originated under the private finance initiative, which together are worth around £60 billion in terms of capital investment. Six hundred and thirty nine of those projects had reached financial close before May 2010.

We want to do what we can to ensure that these projects run as efficiently as possible. In 2011, we launched a programme to deliver an initial £1.5 billion of savings and efficiencies. We looked at PF1 projects across sectors—from health to education and justice to transport. I am pleased to say that, as of March last year, public sector organisations from across local and central Government had reported more than £2 billion of savings and efficiencies over the life of the projects. We are still exploring a potential further £2 billion in savings through the more efficient use of facilities and adjustments to the scope of contracts.

Stella Creasy: The Minister just said there that the Government are still exploring how to make further savings on the scope of the contracts. Can he confirm whether the Government are looking at the rates of return paid on these contracts, and whether there are opportunities to negotiate with the companies that own these contracts—they are spread across the country—to reduce the repayments of interest on them collectively and to consolidate some of the loans for the public sector?

Simon Kirby: What I can say is that the Government are prepared to look at all of these individual arrangements to see where it is possible to obtain the best value for...
money. Often, it is simply not possible to restructure or to pay off the debt in a way that offers value for money for the taxpayer. We would be mad, would we not, if we did not look carefully at providing the best possible value for money and the best possible public services? That is an ongoing issue.

As I was saying, if it is not possible to find obvious savings in a project, we will work with Departments and procuring authorities to improve day-to-day efficiencies and management of the contract.

The hon. Lady asked a number of questions, including one on equity investments and equity returns. Public sector equity—equity and shareholder loans—committed to PF2 projects as at March 2016 totalled £8.2 million. The Infrastructure and Projects Authority, on behalf of the Treasury, plans to collate the equity returns information over the course of this year. This will be the first collection of such data, as the projects included are only now becoming operational and starting to make a return. We have not yet set a date for publication, but we can expect it at an appropriate time in the future.

The hon. Lady asked about the Green Book. I can tell her that it will be refreshed later this year. There will be clear guidance to Departments about the alternatives to PF2, and about whether that particular form of finance is the most appropriate. She also mentioned value for money. To be clear, the Government will only use public private partnerships such as PF2 to deliver a project that provides value for money over a publicly financed solution. Analysis is carried out using the principles in the Green Book, which is published by the Treasury.

I thank the hon. Lady for raising that.

I am pleased that the Minister refers to my local hospital. That is owned by Innsfree, which owns a huge number of such projects across the country. I am not sure if the one in Sherwood is one of those. I believe some of those in Brighton Kemptown may have some connection to Innsfree. There is a case to be made for renegotiating with such companies, which may wish to bid for PF2 business in the future. Is the Minister satisfied that there is enough competition for our business as taxpayers? Will he refer the matter to the Competition and Markets Authority so that it can look at whether those companies have a captive market, and whether alternatives such as bonds or the pension funds might be willing to invest in such projects and help out those public services, as well as not making the same mistakes with PF2 as seem to have been made with PFI?

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Obviously, one issue here is whether there is effective competition for our businesses as consumers. I did urge the Minister to ask the Competition and Markets Authority to review that very point, so that there may be more options and more alternatives. It may help us to understand why there are barriers to the alternatives. Will he agree to that, and will he clarify what he means by the appropriate time for those equity returns data? Obviously, we have been promised that for more than 18 months. Will he guarantee that that will be an early Christmas present at the very least?

I reiterate that the issue is important. There is surprising agreement across the House. We all want to see the best possible public services and we all want the best possible deal for our constituents and the taxpayers who pay for these vital infrastructure projects, but we must be realistic about what we can change from the past. That does not mean that we should give up and accept that it is not possible to provide a better deal. We aim to achieve the best possible value always, because that is what the public expect and what the nation’s finances need, and it is what I and this Government will do our best to deliver.

Question put and agreed to.

11.59 pm

House adjourned.
Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Human Rights Act

1. Mr Dominic Raab (Esher and Walton) (Con): What steps she is taking to reform the Human Rights Act 1998.

Mr Raab: May I say at the outset that it is an honour to be the first Member to welcome the new Justice Secretary and the new Front-Bench team to their posts? I wish them every success. I also reassure my right hon. Friend, from experience, that being a lawyer is of very limited value in her Department—no offence to the Minister of State.

The Government are committed to scrapping the Human Rights Act and introducing a British Bill of Rights.

Elizabeth Truss: This is an important reform; we need to get it right. We will be introducing proposals in due course. We will deliver on this manifesto commitment.

Mr Raab: Does the Secretary of State agree that one of the problems with the current set-up is that the code of rights includes many reservations and qualifications that the European Court does not embrace? A British Bill of Rights can ensure that there is proper balance and that the interests of justice are served.

Elizabeth Truss: My hon. Friend makes a very good point. It is absolutely the reason we want to pursue a British Bill of Rights to put that in place.

Mr Alistair Carmichael (Orkney and Shetland) (LD): If we are to have the Supreme Court as the ultimate arbiter, does that mean that the Lord Chancellor wants to withdraw from the European convention?

Elizabeth Truss: The Prime Minister has been very clear that leaving the European convention on human rights is not something that we are going to pursue.

Mr Julian Brazier (Canterbury) (Con): May I, too, welcome my right hon. Friend to her post and her determination to proceed with a British Bill of Rights? Could I urge her to remember that the cornerstone of the rule of law in this country has always been the sovereignty of Parliament? May I urge her not to listen to those who argue that getting rid of an Act that came 40 years after we signed up to the European convention undermines our position within the treaty?

Elizabeth Truss: My hon. Friend is absolutely right: human rights were not invented in 1998 with the Human Rights Act. We have a strong record, as a country, of human rights, dating back to Magna Carta, and the British Bill of Rights is going to be the next step in enshrining those rights in our laws.

Joanna Cherry (Edinburgh South West) (SNP): May I welcome the Secretary of State to her new role and say that while, of course, it is not a prerequisite for the person in her role to be a lawyer, she will no doubt wish to listen carefully to any legal advice she receives about any proposals to reform the law?

There is almost universal opposition to the repeal of the Human Rights Act in Scotland; this is reflected in the Scottish Parliament and across Scottish civic society. On 11 August, I wrote to the UK Government seeking clarification of their plans for so-called reform of the Human Rights Act, following press reports. I have yet to receive a substantive response. At what stage in her plans will the Secretary of State seek to consult the Scottish Government, and can she confirm that she will listen to and respect their answer?

Elizabeth Truss: I have already had a number of legal meetings about this issue, and I am sure I will enjoy working with the legal profession in my role. The Prime Minister has already had a very good meeting with the First Minister of Scotland. I will be meeting the Scottish Justice Minister shortly to discuss a number of issues.

Mr Speaker: I call Richard Burgon.
Joanna Cherry rose—

Mr Speaker: Order. I do apologise; I had not realised that the hon. and learned Lady wanted a second bite of herself.

Joanna Cherry: I was rather hoping to have a second bite of Her Majesty’s Government, Mr Speaker.

If the Secretary of State has been having legal meetings about the Human Rights Act, she will have been advised that human rights are not a reserved matter and that therefore the Scottish Parliament must be consulted regarding any legislation with regard to human rights. During the independence referendum, Scotland was told that it was an equal partner in this Union. Does she appreciate that to proceed with repeal of the Human Rights Act across the UK would fly in the face of that promise and exacerbate the democratic deficit that already exists in Scotland, where a Tory Government we did not vote for are planning to take us out of the European Union against our will?

Elizabeth Truss: I would point out that this was in the Conservative party manifesto and we secured a majority at the general election. As I said, I will be in touch with the Scottish Justice Minister; I look forward to talking to him about this subject.

Richard Burgon (Leeds East) (Lab): I welcome the Secretary of State to her new role. It is good to see a Leeds person at each Dispatch Box. I understand that, like me, she comes from good, left-wing Leeds stock, and I look forward to our exchanges.

At the Secretary of State’s swearing-in ceremony, she quoted with approval the late Lord Bingham, on the Human Rights Act, Lord Bingham said in 2009: “Which of these rights, I ask, would we wish to discard?” He went on to say: “There may be those who would like to live in a country where these rights are not protected, but I am not of their number.”

To give the Secretary of State another chance, because she failed to answer the question asked by my hon. Friend the Member for Kingston upon Hull East (Karl Turner), which of these rights does she wish to discard?

Elizabeth Truss: I, too, welcome the hon. Gentleman to the Dispatch Box. It is great to have somebody who is also from Leeds facing me, although I learned the error of my ways after growing up in a left-wing household in that great city.

Sir Desmond Swayne (New Forest West) (Con): Shocking!

Elizabeth Truss: All I can say is that I believe that everyone is capable of reform, even those on the Opposition Benches. I have not yet given up hope on the shadow Secretary of State for Justice.

The whole purpose of the Bill of Rights is to enhance human rights in this country. We have led the world in human rights since Magna Carta and the Bill of Rights that was published in Wales in 1689, and we will continue to do so.

Richard Burgon: I thank the Secretary of State for that response, but let me say this:

“We were very clear that we will replace the Human Rights Act, which isn’t working for British people, with a British Bill of Rights that gives the ultimate power to citizens in this country.”

Those were the words of the Secretary of State on the “Today” programme in May 2015. Given that, and in the light of the answer that she has just given, can she explain to the House why she wants to rob the people of Britain of their rights? Will she admit that talk of a so-called Bill of Rights is simply posturing and making concessions to the hard right of the Conservative party?

Elizabeth Truss: Human rights were not invented in 1998 with the Human Rights Act. There are major issues with the Human Rights Act and we need to move forward. We need a British Bill of Rights that enshrines our ancient liberties.

Several hon. Members rose—

Mr Speaker: Order. We now need to make progress as there are a lot of questions. Progress thus far has been slow, so we can be speeded up by Mr John Mann.

Online Hate Crime

2. John Mann (Bassetlaw) (Lab): What assessment she has made of her Department’s contribution to tackling online hate crime.

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): Hate crime is abhorrent and has no place in society. The Government published their plan to tackle hate crime, “Action Against Hate”, in July 2016. This Government believe that the enforcement of criminal legislation has an important role in tackling online hate. We also need deterrence and prevention, which require a broader response, from counter-narrative activity through to effective management from the internet industry.

John Mann: The last time I asked the Secretary of State a question in here, she invited me to join her on a delegation to China. May I reciprocate and invite her and her Front-Bench colleagues to come to Bassetlaw day in the Jubilee Room, hosted by me and the hon. Member for Newark (Robert Jenrick)?

True Vision, the internet reporting organisation based in the Secretary of State’s office, is the pride and joy of her Department and the envy of every other Government in the world. Is she going to allow it to disappear into some other Department, or is she going to keep it in her Department?

Dr Lee: I thank the hon. Gentleman for his characteristically delivered question. The Secretary of State has, I gather, recently written to him on this matter. The cross-Government hate crime programme is highly regarded by this Government and internationally. I am committed to ensuring that that important work continues.

Mrs Maria Miller (Basingstoke) (Con): I welcome my hon. Friend to his post. The Government were right to make posting revenge porn online a crime. Figures released today show that there have been 200 prosecutions for revenge pornography, yet more than 1,000 cases have been reported to the police. Does the Minister
agree that, as with other sex-related crimes, anonymity for victims perhaps needs to be carefully considered in cases of revenge pornography?

Dr Lee: I thank my right hon. Friend for her question and, indeed, for the work that she and her Select Committee do in this area. Revenge porn is a terrible abuse of trust that can leave victims feeling humiliated and degraded. By making it a specific offence carrying a maximum sentence of two years behind bars, we have sent a clear message that this crime will not be tolerated. On anonymity, I am interested in what she says; if she would like to write to me about that issue, I will consider it.

Lisa Nandy (Wigan) (Lab): I welcome the Minister to his post. Has he seen this morning’s comments by the Director of Public Prosecutions that social media is one of the driving forces behind the record high in recorded violent crimes against women and girls? I welcome what the Minister has said about the need for a broader response, so what does he plan to do to safeguard the many specialist services that exist to support women who are suffering online harassment and abuse, many of which are suffering funding cuts?

Dr Lee: As I have already said, this crime is deplorable. I suspect that it has always happened and that social media has facilitated it, and that we are now detecting more crime of this kind. I am determined to maintain services that support women and, indeed, men who are subjected to the crime, and I will continue to keep a close eye on that.

Mrs Theresa Villiers (Chipping Barnet) (Con): What action are the Government taking to combat online anti-Semitic hate crime emanating from extremist groups on campus?

Dr Lee: Online anti-Semitic crime, like revenge porn, is an appalling crime that is more easily committed through use of the internet and anonymity. With specific regard to anti-Semitism, the Government, thanks mainly to the fantastic work done by the hon. Member for Bassetlaw (John Mann) and his all-party group, have made significant advances. I will consider my right hon. Friend’s comments on anti-Semitic crime, particularly on campus.

Prison Safety

Elizabeth Truss: I absolutely agree that the retention of staff is a very important issue. I have been to a number of prisons and seen how brave, fearless and hard-working our prison officers are. They are vital in turning around offenders and getting them the education and skills they need to succeed outside. I am determined to support and work with them, and over the coming months I will lay out more detailed plans.

Robert Neill (Bromley and Chislehurst) (Con): May I warmly welcome the Secretary of State and her team to their posts? Lawyers do sometimes have their uses, and so do non-lawyers. Her predecessor made prison reform a centrepiece of the agenda and rightly described the deterioration of safety in prisons as terrible. The figures have now got worse. He committed to an action plan to tackle violence in our prisons. Will the Secretary of State reaffirm that, and what specific steps will be taken to deal with what is a ticking time bomb in our criminal justice system, because nothing else has worked?

Elizabeth Truss: May I say how pleased I am to have been able to meet the Chairman of the Justice Committee? I take the advice of all my lawyers, but particularly that of the Chairman of the Select Committee, extremely seriously.

This is a critical issue that faces our prisons. We cannot have reform in our prisons if we do not have safe prisons for people to work in. Those two things go hand in hand. I am committed to an agenda of making our prisons safe and places of reform. I will be laying out my plans very shortly on this issue, and I look forward to discussing it more with the Select Committee tomorrow.

Jenny Chapman (Darlington) (Lab): Will the Secretary of State look again at statements that were made by her Department recently about the number of prison officers? The Department claims that the number has increased, but it has not. Will she look at the matter again? I believe that she did not take into account staff being regraded or the number of hours that they actually work when she examined the number of officers in the system.

Elizabeth Truss: I will, of course, look at those numbers in detail. In fact, I am looking at them at the moment. As well as the number of staff, it is important to consider how staff are deployed and trained, and the powers that governors have to get the best out of staff working in prisons. I am looking at all those aspects, but I agree that staff are absolutely crucial to make our prisons work well.

James Berry (Kingston and Surbiton) (Con): One of the causes of a lack of safety in prisons has been the legal psychoactive substances. Does the Secretary of State agree that the ban on the possession of those substances in prisons should really improve the safety of other prisoners and prison officers, if it is properly enforced?

Elizabeth Truss: My hon. Friend is absolutely right that NPS have been a major issue in our prisons. When I visited HMP Norwich last week, I was pleased to see that it was using the new legislation to tackle that issue in the prison, to search people and to catch them out.
HMP Norwich has succeeded in reducing the usage of such drugs already. I would like to see that type of programme happening more across our prison estate.

**Prison Safety**

4. **Andy Slaughter** (Hammersmith) (Lab): What steps her Department is taking to improve safety for prisoners and prison staff.

**Mr Speaker:** Minister at the Dispatch Box.

**The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss):** Forgive me, Mr Speaker; I think that the summer recess has taken its toll on my memory of parliamentary procedure.

I am determined to ensure that our prisons are places of safety and reform. We need to help offenders to get off drugs, improve their education and get the work skills they need so they are less likely to reoffend when they come out.

**Andy Slaughter:** I thank the Secretary of State for concentrating. Does she see a connection between the long-term decline in prison officer numbers— they went down 30% between 2010 and 2013, and they are going down again—and this massive increase in assaults on staff, which went up 90% over the last Parliament?

**Elizabeth Truss:** There are many factors driving prison violence and self-harm. I am looking at the evidence about what will work and what steps we can take, but I am determined to tackle this. I am very clear that the current levels of violence are unacceptable.

**Andrew Selous** (South West Bedfordshire) (Con): May I also warmly congratulate the Secretary of State and the new ministerial team on their appointments? Of course we need more prison officers in prisons, but may I urge the Secretary of State and her Ministers to consider the greater use of prisoners as mentors? Wandsworth is leading the way, with 50 mentors providing teaching and education, but that could also be used in employment, for therapeutic purposes and to cut down the use of drugs.

**Elizabeth Truss:** As a Prisons Minister, my hon. Friend did tremendous work in this area; we are very much learning from the work that he carried out in the Department. He makes an important point, and I think we need to look at the overall culture in some of our best prisons. We have exemplary work going on, such as mentoring, and we need to make sure that that is happening right across our prison estate.

**Mr Nigel Dodds** (Belfast North) (DUP): The Secretary of State may be aware that the head of the prison service in Northern Ireland recently stood down. Attacks on prison staff are on the rise. Will the Secretary of State ensure that her Department engages actively with the Department of Justice in Northern Ireland to see what lessons can be learned and to try to improve safety in prisons in Northern Ireland?

**Elizabeth Truss:** I have been in touch with the Justice Minister in Northern Ireland, and I look forward to talking to her in due course.

**Philip Davies** (Shipley) (Con): Victims of crime want to see the perpetrators of that crime properly punished. Is the Minister happy that prisoners are automatically released halfway through their prison sentence no matter how disruptive they are or how much of a threat they still pose to the public, or does he agree with me that prisoners should serve the sentences handed down by the courts in full?

**Dr Lee:** We want to make sure that all vulnerable and intimidated witnesses can give their best evidence in court and feel less anxious. We are committed to making sure that victims of crime get the support they need. We have protected the overall level of funding for victims across the spending review period, and we announced funding of more than £95 million in 2016-17 to fund critical support services. We will bring forward our legislation, as promised, in due course.

**David Tredinnick** (Bosworth) (Con): May I, too, congratulate the Secretary of State on her appointment? Is not a large part of the problem the fact that we have so many Victorian prisons? Does she have any plans for a prison rebuilding scheme?

**Elizabeth Truss:** My hon. Friend is absolutely right. We have a big issue with prisons that are out of date and not fit for purpose, which makes it more difficult for our excellent governors and officers to manage them well. I am pleased to say that this summer we were able to close Holloway prison. We have a £1.3 billion building programme. I want new modern prisons to be built in which prisoners will get the education and work they need to succeed in outside life, and to close down some of our most dilapidated and out-of-date prisons.

**Victims of Crime**

5. **Joan Ryan** (Enfield North) (Lab): What her Department’s strategy is for supporting victims of crime.

**The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee):** It is crucial that victims of crime are supported as effectively as possible. The victims code was revised in 2015. Victims of all criminal offences are now entitled to support from a wide range of organisations, as well as from criminal justice agencies. The reforms we are making to our courts will significantly improve services for victims and their families—for example, to enable them to give evidence remotely and digitally.

**Joan Ryan:** More than 23,000 individual crimes have been reported in Enfield during the past 12 months. For far too long, the victims of these crimes have been forgotten and ignored by the criminal justice system. Given that the Victims’ Commissioner supports the introduction of a law for victims of crime, when will the Government fulfil their election manifesto commitment to bring forward legislation on this issue?

**Dr Lee:** We want to make sure that all vulnerable and intimidated witnesses can give their best evidence in court and feel less anxious. We are committed to making sure that victims of crime get the support they need. We have protected the overall level of funding for victims across the spending review period, and we announced funding of more than £95 million in 2016-17 to fund critical support services. We will bring forward our legislation, as promised, in due course.
Greg Mulholland (Leeds North West) (LD): Too often the victims of criminal driving and their families are not actually treated as victims of crime, but told that they have been involved in an accident. How can that culture be changed, and when, finally, will we get the review of sentencing for these types of offences?

Dr Lee: I do not believe that that is in my purview, but if the hon. Gentleman writes to me I will by all means reply to him on the issue. I agree that victims in such situations need more protection and that the culture needs to change.

Mr Philip Hollobone (Kettering) (Con): One of the best ways to ensure that justice is served is to ensure that victims have the chance to make a victim impact statement to the court, but that does not always happen. What can the Minister do to ensure that it happens in every case?

Dr Lee: As I understand it, victims are now getting more of an opportunity to make a victim impact statement because they can do so online. I agree with my hon. Friend that that should be possible.

Richard Burgon (Leeds East) (Lab): As has been mentioned, today’s report on violence against women and girls shows an increase in prosecutions. However, victims charities remain concerned about their futures, as was stated by the chair of the Association of Police and Crime Commissioners Supporting Victims Group when asking the Ministry earlier this year to clarify what funding is available to PCCs. The Minister told my hon. Friend the Member for Wigan (Lisa Nandy) that he will be “keeping an eye on this matter”. With respect, keeping an eye on the matter is not good enough. Will the Secretary of State now confirm that victims services will receive the full funding that they require?

Dr Lee: The victims services budget has increased significantly from £48 million in 2010-11 to about £95 million in the current financial year. In 2016-17, for example, we have allocated about £7 million to 99 rape support centres to provide therapeutic and practical help to male and female victims of rape and child sexual abuse. I do not recognise the description given by the shadow Secretary of State. The Government are committed to protecting victims, particularly women who have been victims of crime.

Prisons: Mobile Phones

6. David Warburton (Somerton and Frome) (Con): What steps her Department is taking to prevent the use of mobile phones in prisons.

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): The illicit use of mobile phones in prison undermines security, order and control, and has been linked to many forms of criminality. The Government are determined to take action to stop it.

David Warburton: The connection between technology and radicalisation by the dissemination of extremism in prisons is one of the most critical challenges we face. Will my hon. Friend continue to do everything possible to ensure that prisoners, who already face difficulties re-engaging with society, do not have that difficult task made impossible by those who would use technology such as mobile phones to spread extremist poison?

Mr Gyimah: My hon. Friend will no doubt have seen the Government’s response to the review on extremism. I assure him that we will continue to work tirelessly to ensure that extremist ideologies are not spread by any means, including mobile phones.

Geraint Davies (Swansea West) (Lab/Co-op): There have been reports from Swansea prison of people throwing mobile phones over the wall, which provides anonymity that allows prisoners to indulge in all sorts of criminal activity. What is the Minister doing about that sort of thing?

Mr Gyimah: The hon. Gentleman makes an important point. Every governor I have spoken to in the last six weeks has mentioned the growing problem of illegal mobile phones in prison. I believe that technology is vital to detecting and blocking such phones. That is why, in addition to the range of technologies that have already been deployed across the prison estate, we have held a high-level meeting with mobile network operators and asked them to use their expertise to develop new technological solutions to deny mobile phone signals in prisons. As responsible businesses, I expect those operators to co-operate fully.

Court Provision: Bury

7. Mr David Nuttall (Bury North) (Con): What assessment she has made of the adequacy of court provision in Bury.

The Minister for Courts and Justice (Sir Oliver Heald): There is, and there will be, an appropriate level of court provision for the people of Bury.

Mr Nuttall: I warmly welcome my hon. and learned Friend to his new role and thank him for that brief reply. Although court provision might be regarded as adequate now, it is important that it continues to be adequate in the future. I ask the new Lord Chancellor and ministerial team to look again at the proposals for north Manchester and, in particular, at the consequential effects on the police budget, given that the police will be faced with longer journey times when they attend court.

Mr Speaker: We might be faced with longer questions as well, but we are immensely indebted to the hon. Gentleman nevertheless.

Sir Oliver Heald: May I start by paying tribute to the work that my hon. Friend has done and the proposals he has made for his local courts? He will know, as a lawyer, that we are investing a huge amount of money—a good £1 billion—to transform our courts and tribunals. Modern technology improves efficiency and means that fewer people need to attend court in person. Excellent facilities are available to the people of Bury and Manchester, which have some of the best courts in the country.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister will know that the proposals across the whole
of Greater Manchester are far-reaching and that they are controversial in parts of the city region. Will he explain to the House precisely what was agreed with Greater Manchester combined authority in the memorandum of understanding that his Department signed with it? Does it mean that the combined authority can look again at some of the court closures?

Sir Oliver Heald: The hon. Gentleman will realise that none of these decisions is taken lightly. It is important to work closely with local government, and that is exactly what has been happening. To give him an impression of the tremendous improvement the court modernisation programme is making, it has been going for four months and 6 million pieces of paper have been avoided as a result.

Chris Bryant (Rhondda) (Lab): Avoided?

Sir Oliver Heald: Yes, 6 million pieces of paper have been avoided by using digital case files. That is a pile of paper as high as the Shard—the largest building in London.

Mr Jonathan Djanogly (Huntingdon) (Con) rose—

Mr Speaker: Order. Huntingdon is a splendid part of the world that deserves to be represented effectively by the hon. Gentleman, whom I have known for a quarter of a century, but it is a long way from Bury, to which this question exclusively relates. [Interruption.] Order. The question is about Bury, I say to the young fellow. He can come in later—we look forward to hearing from him.

Legal Professionals

8. John Pugh (Southport) (LD): What information her Department holds on the level of social mobility and social diversity within the legal professions.

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): That information is published by the legal professions. For example, 13% of QCs are women, and 6% declare themselves as coming from a black, Asian and minority ethnic background.

John Pugh: Available data show very limited progress, particularly with only 13% of QCs and only a third of the people practising at the Bar being women. What can the Government do to improve that and rattle up the profession a bit?

Elizabeth Truss: We want a justice system that works for everyone and a legal services industry that uses all the talent in our country. I have already had very positive conversations with the Lord Chief Justice, who is keen to improve diversity figures in the judiciary, and I am due to meet the Bar Council shortly to talk specifically about the Bar.

Mike Wood (Dudley South) (Con): What assessment has my right hon. Friend made of opportunities to increase apprenticeship-based routes into the legal professions and prison services to increase social mobility?

Elizabeth Truss: I am a huge fan of apprenticeships. The new apprenticeship levy brings a big opportunity for some of our large legal services firms, and right across the board, to increase the number of apprenticeships. I will certainly be talking to those firms about that over the coming months.

Richard Burgon (Leeds East) (Lab): At one London provider of legal education, fees for the academic year ahead are as follows: nearly £11,000 for the graduate diploma in law; more than £15,000 for the legal practice course; and near to £19,000 for the Bar professional training course. That is on top of the cost of university education. Such fees are beyond the reach of many people from ordinary backgrounds. Given that reality, how will the Minister ensure a diverse legal profession?

Elizabeth Truss: I have been discussing this matter right across the legal profession. At the younger end we are seeing a lot more diversity; the question is how people progress through the pipeline. I would like more transparency so that we can look at people moving through the system. I have no doubt that the Lord Chief Justice and leading judges want to see more diversity. They are very keen to work with me on this agenda.

Prisons: Mental Health

9. Jason McCartney (Colne Valley) (Con): What steps the Government plan to take to tackle mental health issues in prisons.

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): Prisons must become places of rehabilitation where offenders can change their lives and turn away from crime. Addressing health needs, including mental health, is key to creating a safe and rehabilitative environment for prisoners. We are committed to meeting the mental health needs of prisoners. All prisons have procedures in place to identify, manage and support people with mental health illness.

Dr Lee: The approach going forward is under consideration at present. Governors have an important part to play in helping to structure healthcare services within their prisons.

Sir David Amess (Southend West) (Con): What steps the Government plan to take to tackle mental health issues in prisons.

Jason McCartney: Will the Minister confirm that governors will have new powers and abilities to run their own mental health and health budgets, and will that include co-commissioning of mental health services with local clinical commissioning groups?

Dr Lee: Based on a Ministry of Justice survey, 49% of prisoners were assessed as being at risk from anxiety and/or depression and 16% reported symptoms indicative of psychosis. Department of Health figures, however,
are somewhat different; north of 90% of prisoners have a mental health problem if substance misuse is included. I am seeking more data on this area. We are committed to meeting the mental health needs of prisoners, which is why all new intake prison officers receive mental health awareness training as part of their entry-level training.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): One hundred people have taken their lives in our prisons in the past year. That is the highest level for over 25 years. More than 9,000 people have self-harmed in our prisons. That is an increase of over 25% in the past year alone. The Government should be ashamed: it is a dereliction of their duty of care. I want to know, having listened to the answer from the Government, what they are actually going to do to look after the thousands of prisoners who have serious mental health conditions and are not being looked after.

Dr Lee: The aetiology of mental health is pretty complex. The genesis of problems do not just occur over the term of a Parliament. The system in place for mental healthcare and the continuity of care for people before, during and post their stay in prison is clearly not where it should be. I would argue that that has been the case for many decades. I have been asked to look at this matter and will be doing so, but it is a huge and complex area. As a consequence, I am not about to make any commitments at the Dispatch Box.

Fiona Mactaggart (Slough) (Lab): There is a particular risk for women in prison. Some 30% of women prisoners have had a previous admission for a psychiatric problem before they went into prison. In the past year, 11 women have killed themselves. My impression is that that is because the previous Secretary of State did not focus on the recommendations of the Corston report, which would have ensured a better level of mental health for women in prison. What is this Minister going to do on the Corston report and on women in prison?

Dr Lee: I have read the Corston report and it is a good report. It was published in 2007 and it is still relevant today; it has intellectual coherence with the Charlie Taylor report on youth offenders. I will be looking at it and I am personally persuaded by some of the arguments in it, but I see no evidence that the former Secretary of State was not in any way keeping a close eye on the matter.

Prisons: Sexual Offenders

10. Maria Caulfield (Lewes) (Con): What steps her Department is making on ensuring that offenders find employment on release.

Maria Caulfield: Her Majesty’s prison Lewes in my constituency has seen a huge surge in prisoners either on remand or serving a sentence for sexual offences. This is putting massive pressure not just on staffing but on space and resources. What specific help can the Minister give HMP Lewes?

Mr Gyimah: My hon. Friend makes a very valid point. Those at HMP Lewes who are charged with sexual offences are generally held in separate units that provide suitable accommodation for their offending behaviours. Perhaps I can reassure her that the prison received £153,000 of the Government’s £12 million fund for safety, and that it plans to spend that on staff, focusing on safety and on violence reduction. There is a recruitment drive going on at the moment. Staff are being vetted and a number of staff will be starting imminently.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Surely the Minister understands that, whether it is prisoners who have been tried and convicted for crimes of a sexual nature or prisoners with mental health and other problems, it is the quality of the management of our prisons that must give us all great concern. When my Select Committee looked at education in prisons, we kept coming back to the fact that the culture of the prison comes from the top and is supported by well trained and well educated prison officers.

Mr Gyimah: On this rare occasion, I agree entirely with the hon. Gentleman—the quality of leadership in a prison makes a huge difference to the regime. It makes a huge difference to how staff are inspired and to the rehabilitation of offenders. That is why Government Members are arguing for prison reform to empower governors, give them control of budgets and enable them to get local resources to meet the needs of offenders.

Released Offenders: Employment

11. David Mackintosh (Northampton South) (Con): What steps the Government are taking to ensure that offenders find employment on release.

16. Tom Pursglove (Corby) (Con): What progress her Department is making on ensuring that offenders find employment on release.

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): Most offenders arrive in prison with very low levels of educational attainment, very high levels of substance misuse and a very poor employment history. I believe that the purpose of modern prisons is to keep the public safe and to tackle each of those issues, so that prisoners have the foundations to secure and hold down a job on release.

David Mackintosh: I thank my hon. Friend, but I have recently visited prisoners from my constituency who told me that offenders do not have access immediately on their release to national insurance numbers, bank accounts or unemployment benefits. Will the Minister let me know what steps the Government are taking to improve this situation?
Mr Gyimah: I agree with my hon. Friend that if “through the gate services”, as we call them, are to work and to stop reoffending, national insurance numbers, bank accounts and so forth need to be in place. There is a series of programmes in place to tackle this problem, including an offender banking programme, which opens about 5,000 new bank accounts every year.

Tom Pursglove: The Minister has rightly identified the fact that research shows that employment after custody greatly reduces the chances of reoffending, so what work is his Department doing with the Department for Work and Pensions to make sure that offenders not only find work after they leave prison, but stay in work?

Mr Gyimah: As my hon. Friend has rightly identified, tackling the challenge—and it is a challenge—of getting prisoners work when they leave requires a concerted effort across government and locally across the community. Every prisoner has the opportunity to meet a DWP work coach before release, and the work coach’s role is to guide them towards employment. Work coaches can also ensure that prisoners know their national insurance numbers and get the other services they need to be able to make an appropriate transition into the community.

Mr David Hanson (Delyn) (Lab): Many prisoners are already on short-term sentences of under nine months and are often in prison for very short periods. Will the Minister give us some advice on how governors will be judged on placing such prisoners into employment when the challenges are very difficult?

Mr Gyimah: Since being appointed to this job, I have met a number of governors, and most of them tell us that they want to be empowered to match resources to the needs of prisoners in their prisons, working with local employers and the whole community. That is what governors want, but this is not the responsibility of governors alone. If we want prisoners to be able to go out and find work, businesses have a role, the community has a role and we all have a role. If prisoners can leave, get jobs and restart their lives for the better, we all benefit.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): More than 60% of young people within the justice system have a communications disability, and more than a third of young offenders have speaking and listening skills at the level expected of an 11-year-old. With these skills being fundamental to the ability to hold down a job, will the Minister update us on what assessment the Government have made of speech and language support needs and of how well those needs are being met?

Mr Gyimah: The hon. Lady is obviously right that many prisoners arrive at prison with huge learning difficulties and disadvantages. That is well documented. We need individual programmes tailored to the needs of the prisoner, and the way to do that, as my right hon. Friend the Secretary of State said, is to empower governors to work with probation companies and rehabilitation organisations to deliver those programmes.

Mr Speaker: I gently say to the Minister that I wrote a little report on this matter in 2008, a copy of which I dare say he will find either on the internet or in the House of Commons Library, if it is of interest to him.

Mr Gyimah: I look forward to reading it.

Mr Speaker: I am sure he does. We are immensely grateful to him.

Prisoners: Literacy


The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): Fewer than half of the people entering prison have basic standards of English and maths. This is a huge problem because we know that low levels of education can prevent people from securing jobs on release and leading law-abiding lives.

Neil Parish: The Secretary of State is quite right to say that both literacy and numeracy are essential to getting a job. Should we not therefore put more resources into educating prisoners on release so that they are able to get jobs?

Elizabeth Truss: My hon. Friend is absolutely right. The fact is that too many people enter our prisons without those skills. We need to use their time in prison to help them to gain the basic skills so that they can succeed outside. We have started measuring prisoners’ skills by testing them as they enter prison. I am keen to see that we measure real progress made during prisoners’ stay in prison and hold governors accountable for that.

Valerie Vaz (Walsall South) (Lab): Will the Secretary of State confirm that there will be no return to the policy of banning books for prisoners?

Elizabeth Truss: I confirm that books are freely available in prison.

Mr Edward Vaizey (Wantage) (Con): I warmly welcome my right hon. Friend to her position. I was delighted to hear the new Secretary of State for Culture, Media and Sport talking about the importance of the arts in prisons. I hope that my right hon. Friend will recognise how the arts can bring prisoners to literacy and teach them a huge range of skills. I hope she will meet the National Criminal Justice Arts Alliance at the earliest opportunity to discuss what the arts can do, particularly in respect of literacy.

Elizabeth Truss: May I say what a fantastic job my right hon. Friend has done in championing the arts in every part of our country? His legacy lives on, and it will live on in our prisons.

Mr Speaker: I think that the right hon. Member for Wantage (Mr Vaizey) is overcome with emotion. What a happy day for the feller!

Mr Gregory Campbell (East Londonderry) (DUP): What discussions will the Secretary of State have with Justice Departments in devolved legislatures throughout the United Kingdom to ensure that best practice is replicated in the improvement of literacy in all UK prisons?
Elizabeth Truss: I look forward to meeting my counterparts from all over the United Kingdom and discussing these critical issues, because this is a challenge that we all face.

Mr Speaker: Order. We are running late, so extreme brevity is now required.

Access to Justice

13. Kate Hollern (Blackburn) (Lab): What steps her Department is taking to ensure access to justice regardless of ability to pay. [906067]

The Minister for Courts and Justice (Sir Oliver Heald): The Government’s reform programme is intended to deliver a simpler modern justice system that is available to everyone.

Kate Hollern: East Lancashire, which includes my constituency and up to five other constituencies, has only one legal aid solicitors firm to deal with housing. What is the Minister going to do about that legal advice centre desert?

Sir Oliver Heald: It is important for legal aid to be available, and it is, in housing cases. It is also available in the most vital cases, in which people’s lives, liberty or homes are at stake. It is available in domestic violence cases, and cases in which children may be taken into care. I am, of course, grateful to the hon. Lady for highlighting the issue, but let us be clear about the fact that legal aid in housing cases is available, as is a national helpline, as well as the services of lawyers throughout the country.

Topical Questions

T1. [906035] Mr Douglas Carswell (Clacton) (UKIP): If she will make a statement on her departmental responsibilities.

Elizabeth Truss: I am proud to take on the role of Lord Chancellor and Justice Secretary, upholding the rule of law and reforming our justice system. I am determined to ensure that our prisons are places of safety and reform where offenders can get off drugs, improve their education, and develop the work skills they need so that they are less likely to reoffend. I pay tribute to our brave prison officers and probation staff.

Over the next couple of months I shall lay out my plans for prison reform, and set out plans to modernise the courts so that we can continue to have a world-leading justice system.

Mr Carswell: Sir James Munby was asked to undertake a review of the family courts in August 2014. Can the Secretary of State update the House on any progress that has been made in opening up the family courts and ending the secrecy that can lead to injustice?

Elizabeth Truss: I am due to meet James Munby next week to discuss that issue in more detail. Some progress has been made in opening up the family courts, but there is, of course, a balance to be struck between highly sensitive issues and opening them up fully. I will look at the issue in more detail.

T2. [906036] Jack Lopresti (Filton and Bradley Stoke) (Con): Will my right hon. Friend commit herself to using all the powers at her disposal to protect British military personnel and veterans, who have served our country bravely and with great honour, from spurious and outrageous legal claims such as those pursued by, for instance, public interest law firms?

Elizabeth Truss: I am delighted to tell my hon. Friend that this summer the Legal Aid Agency pulled the plug on its contract with Public Interest Lawyers, who will no longer be ambulance-chasing our brave service personnel. Legal aid should support vulnerable people in our society, and should not be used to pursue spurious cases against the armed forces who do so much to serve our country.

Jo Stevens (Cardiff Central) (Lab): May I join colleagues in welcoming the new Justice Secretary and her team to their roles?

The Government created the toxic conditions for the record levels of violence, drug finds and deaths throughout the prison system by reducing the number of prison officers by a third, yet the former Prisons Minister spent much of his time at the Dispatch Box this year telling me quite proudly about his Department’s successful recruitment drive. The Justice Secretary did not seem to have the figures with her earlier when she answered a question from my hon. Friend the Member for Darlington (Jenny Chapman), so I will help her out. Can she explain why we have 421 fewer full-time equivalent front-line prison officers working in our public prisons than we did a year ago?

Elizabeth Truss: I fully acknowledge that we do have issues with violence and safety in our prisons. The levels are unacceptable. I am determined to deal with this issue and I will lay out my plans very shortly.

Jo Stevens: Since the Government’s probation privatisation, concerns have repeatedly been raised about the quality of pre-sentence reports for the courts as a result of arbitrary targets set. The probation inspectorate has this month described that as a persistent problem leading to inappropriate sentences being handed down. Vital safeguarding checks, such as domestic violence checks with police and child protection checks with children’s services, are not taking place prior to sentencing. Will the Justice Secretary today commit to an urgent review so that the public, probation professionals and sentencers can have confidence that when convicted criminals are sentenced, those deciding on them have all the necessary safeguarding evidence available?

Elizabeth Truss: Our probation services do vital work and the Minister responsible for prisons and probation is looking very closely at this issue, but I would point out that those now on shorter sentences get much more support thanks to our new probation contracts.

Mr Speaker: Contributions to topical questions must be brief, whether from the Back Benches or the Front. There is a lot to get through and not much time in which to do so.

T3. [906037] Derek Thomas (St Ives) (Con): I would never excuse criminal behaviour but some prisoners and former prisoners I have met have been denied...
opportunities in life that many of us take for granted. What are the Department and other Departments doing to ensure the life chances agenda extends to prisoners?

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): I thank my hon. Friend for that question. Some of the problems in society are magnified in our prisons. As the Prime Minister said, if we are going to have a country that works for everyone, prison reform is very much a part of that, including on literacy, training, work in prisons and employment opportunities when people are released.

Elizabeth Truss: This is an incredibly important issue. Both the youth justice Minister and I have met Charlie Taylor and we will publish our response this autumn.

T5. [906059] Pauline Latham (Mid Derbyshire) (Con): Does the Department intend to promote English law, the rule of law and our legal sector around the world, particularly to take advantage of the opportunities that may arise from Brexit?

The Parliamentary Under-Secretary of State for Justice (Stuart Andrew): The Justice Committee has expressed concern that employment tribunal fees, which is now six months overdue, and act to restore justice for low paid workers?

The Minister for Courts and Justice (Sir Oliver Heald): The Secretary of State will know that Charlie Taylor was asked to carry out a review of the youth justice system last year. An interim report was published in February, and we were promised the final report in July. We still do not have it; can the Secretary of State tell us when we will have it, and give us an explanation for the delay?

T6. [906040] Wendy Morton (Aldridge-Brownhills) (Con): I want to ask the new Secretary of State about the treatment of women giving birth in prisons and those with young children, and whether she will do more to ensure children have access to their mothers and, where appropriate, their fathers, and can be as near to them as possible.

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): One hundred babies resided in mother and baby units in English prisons in 2015. Prisons do an excellent job in making these environments as pleasant as possible and babies are able to spend time away from

the prison with nominated carers. However, knowing the importance of the early years for child development, it is essential that we consider alternative ways of dealing with female offenders, including those with young children and babies and other caring responsibilities.

T9. [906043] Andrew Bingham (High Peak) (Con): Effective court administration is a very different matter from retaining inefficient and costly court buildings. The question is whether the closures are going hand in hand with investment, efficiency and the best use of technologies in the surrounding courts—not least in Bury, Mr Speaker.

Mr Jonathan Djanogly (Huntingdon) (Con): Effective court administration is a very different matter from retaining inefficient and costly court buildings. The question is whether the closures are going hand in hand with investment, efficiency and the best use of technologies in the surrounding courts—not least in Bury, Mr Speaker.

Mr Speaker: I was not psychic; I now realise what the hon. Gentleman was driving at earlier. I am glad that he was persistent. Persistence pays.

Sir Oliver Heald: My hon. Friend is right. We need a programme of transformation that maintains the very high quality of our legal system—I am sure Members would agree that it is one of the best in the world—but
we want to make it the most modern as well, and that is what we are doing. We are investing £1 billion, we have saved a Shard-load of paper, as I mentioned earlier, and we are going to do a lot more, so that our courts can benefit from the digital revolution that every other part of society is already benefiting from.

Vicky Foxcroft (Lewisham, Deptford) (Lab): My constituent’s 17-year-old son Shaquan was murdered last year in Brockley. Will the Minister meet me and Sharon, Shaquan’s mother, to discuss the repeated failings in our justice system that mean that his killer is still walking the streets?

Elizabeth Truss: I would be very happy to meet the hon. Lady and her constituent, and I am very sorry to hear about that case.

Alberto Costa (South Leicestershire) (Con): Colin Pitchfork was convicted of raping and murdering two young girls in the 1980s. Will the Minister please assure me and the public of their safety, given that Mr Pitchfork is being moved to an open prison?

Mr Gyimah: My hon. Friend will be aware that the transfer of prisoners from one prison to another is based on a careful assessment of the risks involved. I am sure that that will have taken place in this case, but I would be happy to discuss the matter with him in more detail if he wants to do so.

Ms Margaret Ritchie (South Down) (SDLP): Does the Secretary of State accept that the Human Rights Act 1998 is an indispensable part of the Good Friday agreement and that, whatever the plans are for elsewhere, the Government, as a co-guarantor of the agreement, are obligated to retain the Act in Northern Ireland?

Sir Oliver Heald: The UK has led the world in human rights, from Magna Carta to habeas corpus, and the Government are committed to bringing forward a British Bill of Rights further to build on those ancient protections. The Prime Minister has already met Nicola Sturgeon to make sure that the UK works together—[HON. MEMBERS: “This is about Northern Ireland.”] As the Secretary of State said, we intend to meet all those across the United Kingdom who have concerns about this.

Matt Warman (Boston and Skegness) (Con): Over the summer I visited the job club at North Sea Camp prison in my constituency, which was set up at the behest of prisoners there. Does the Minister agree that some of the best examples of rehabilitation are to be found in category D prisons? Will he come and see that prison so that we can learn about what really good rehabilitation can do for prisoners’ life chances across the wider prison estate?

Mr Gyimah: Spreading best practice is obviously essential, particularly for rehabilitation. I welcome the opportunity to visit my hon. Friend’s constituency to see the excellent work that is being done by the job club.

Rob Marris (Wolverhampton South West) (Lab): Half an hour ago, the Secretary of State said that when the Human Rights Act is repealed it will be replaced with a new British Bill of Rights that will include additional human rights. What additional human rights will there be?

Elizabeth Truss: I said that we will enhance human rights in this country, and we will bring forward our proposals in due course.

Justin Tomlinson (North Swindon) (Con): With proactive cross-Government work, we have seen a 41% increase in disability hate crime prosecutions. Will the Secretary of State keep that as a priority?

Elizabeth Truss: I absolutely agree with that.

Angela Crawley (Lanark and Hamilton East) (SNP): I received assurances from the Government that the post-implementation review of tribunal fees would be published late last year. Nine months on and after thousands more discrimination cases, we are still waiting. Why has it taken so long for the Government to get a move on and publish the review? Will the Government follow the Scottish Government by abolishing tribunal fees completely—that is Scotland, not Northern Ireland?

Sir Oliver Heald: As the hon. Lady says, it is right that the review should be published. It will be published in due course with the reply to the Select Committee. We welcome the report and the discussion, so I thank her for her question.

Fiona Bruce (Congleton) (Con): Will a Minister confirm that this ministerial team will continue the good work of its predecessor in considering how prisoners’ family ties can be strengthened to improve rehabilitation and reduce recidivism?

Elizabeth Truss: My hon. Friend has a long-standing interest in this matter, as does the former Prisons Minister. We are determined to pursue this important part of rehabilitation.

Mr Speaker: I am sorry to disappoint some colleagues but, as usual, demand has exceeded supply.
Sellafield

12.36 pm

Mr Jamie Reed (Copeland) (Lab) (Urgent Question):

To ask the Secretary of State if he will make a statement on safety at Sellafield.

The Minister for Climate Change and Industry (Mr Nick Hurd): Envisuring high standards of nuclear safety and security will always be a top priority for the Government. On Sellafield, I can assure the House that there is no safety risk to site staff or the public, and it is wrong to suggest otherwise.

As the hon. Gentleman knows more than anyone, Sellafield is a uniquely challenging site that contains the legacy of the UK’s earliest nuclear programmes, when nuclear waste was dumped with no plan for how it would be disposed of safely. The Government have been turning that around in order to clean up Sellafield—safely, cost-effectively and quickly as possible, which is an enormously complex task.

We have a strong regulatory system and all operators are answerable to an independent regulator. The Office for Nuclear Regulation is satisfied—it has confirmed that again this morning—that Sellafield is safe. The regulation of facilities is the ONR’s top priority with a team of around 50 inspectors deployed. The ONR requires the site to improve continuously. The ONR has confirmed that none of the issues raised in the “Panorama” programme is new. The ONR operates transparently. The issues facing Sellafield have been reported to Parliament in the ONR’s annual report and accounts, in which the ONR concluded that important progress has been made.

Mr Hurd: I thank the Minister for his response. The safety and security of Sellafield are the most important considerations for everyone working at the site. Safety is non-negotiable. As a former third-generation Sellafield worker, I know that the Sellafield workforce are acutely aware of its responsibilities towards the entire community and the country as a whole. As such, I welcome the interest of journalists and politicians—anyone and everyone—in the work undertaken at Sellafield. Visibility and accountability for that work should be welcomed. I would like to see more of it and I would like to see that done in a robust and responsible way. That is why the work of the National Audit Office and the Public Accounts Committee is so important.

As the Minister pointed out, the truth is that Sellafield is a unique site, hosting a unique and complex set of engineering challenges that have arisen over decades—arguably the most difficult engineering challenges anywhere in the world. Sellafield is a publicly owned site. The work of the Nuclear Decommissioning Authority, Sellafield Ltd and the rest of the supply chain is undertaken in the national interest using public money. Will the Minister commit today to long-term, predictable budgeting for Sellafield so that greater benefits can be gained and economies of scale achieved at the site? Public accountability for the work should not only be welcomed, but insisted upon, so it is vital that the NDA is allocated the resources necessary to discharge its responsibilities to our nation and my community.

In addition, it is essential that the industry regulator has the resources it requires to regulate effectively and efficiently. Will the Minister commit to providing the regulator with the resources it says it needs? I note that the regulator told “Panorama” that it was happy with progress being made at Sellafield. Will he ask the regulator to respond to the allegations made by the programme on a point-by-point basis? Does he agree, as I do, that the NDA was right to change the operating model at Sellafield and to replace Nuclear Management Partners? Does he also agree that the workforce should be commended for the work done in progressing the clean-up mission to date?

Crucially, in welcoming the renewed focus that “Panorama” has given to the work under way at Sellafield, will the Minister commit his Department to working with me, my community and the Sellafield workforce to acknowledge Sellafield as a national asset? The globally unique engineering challenges at Sellafield, accompanied with a truly world-class, highly skilled workforce, provide enormous opportunities for my community and the UK to become the global centre of excellence for the nuclear industry. Meeting the challenges of Sellafield places us in a unique position to meet the challenges facing the nuclear industry around the world, and we must utilise these skills. This should be worth billions to the UK economy. Alongside the development of the Moorside power station, my community should become one of the fastest growing economies anywhere in the UK. Will the Minister and his Department work with me, the local workforce and the local supply chain to make this a reality?

Mr Reed: I thank the Minister for his response, and I agree with him 100% about the non-negotiability of nuclear safety. There can be no disagreement on that, and I am glad that he recognises the progress being made all the time at Sellafield. I wish to place on record the Government’s appreciation for the difficult work done by the many people who work there. We have the most regulated and safest nuclear industry in the world. I do not want to encourage any sense of complacency about that, but it is a fact. Any nuclear power station in the UK must comply with our stringent nuclear safety laws, which are overseen by a robust industry regulator. We lead the world with our skills and expertise in this area.

The hon. Gentleman mentioned the regulator, which is clearly a massively important part of this landscape of protecting the public. As I said in my opening statement, the regulator has said very clearly that it is satisfied that Sellafield is safe, and it has repeated that again to our officials today. As he knows, the NDA has put out a detailed rebuttal of all the points made in the “Panorama” documentary, which I have watched: I think they were all rebutted robustly in the programme. As he knows, none of those points is new. Funding is incredibly important and it is done on a very significant scale; as he knows, it costs £2 billion a year to clean up Sellafield safely.

The hon. Gentleman asked me whether we agreed with the change in the operating model and, yes, of course, we do; it is generally recognised that that is a much better way of working. As I have said, I am assured that the regulator is doing its job, that progress is being made and that Sellafield is safe, and I wholly accept his offer to work closely with him to make sure that that is more widely understood and appreciated.
Kevin Foster (Torbay) (Con): Only last week, I was at Hinkley Point B seeing the very high safety standards the nuclear industry practises. Does the Minister agree that being able to have an open and sensible discussion about nuclear safety issues is a key part of keeping our industry safe? Does he also agree that we have one of the most effective regulation systems in the world, which has meant that we have had many decades of safe, clean power generated? Sellafield plays a key part in that in this country.

Mr Hurd: I thank my hon. Friend for that positive and constructive intervention. This is a massively important issue on which no Government can show any complacency, but I believe that we have set up a proper framework and a robust system of transparency and accountability. Considerable progress continues to be made, but the safety record continues to be an impressive one, which is why countries all around the world come to see how we do it.

Barry Gardiner (Brent North) (Lab): Yesterday evening’s television report on Sellafield was profoundly disturbing, and my hon. Friend the Member for Copeland (Mr Reed) was absolutely right to request this urgent question—I thank you, Mr Speaker, for granting it. My hon. Friend expressed his concerns at the revelations and referred to the importance of the storage and reprocessing facility for his constituency. Of course, the House must raise such concerns on behalf of the country.

I want to focus on a number of questions on which I believe the Minister should give the House either further information or reassurance, and preferably both. On minimum staffing levels, will he confirm that as recently as five days ago a formal notice was sent to the management, raising the unions’ concern about critical manning levels and the ability to comply with the appropriate procedures and practices when minimum staffing levels are not met?

Will the Minister also say whether he agrees with Dr Rex Strong, the head of nuclear safety, who said in last night’s programme that not meeting the minimum safety standards or staffing levels did not mean that there was a safety risk?

In 2013, the manager of the site, Nuclear Management Partners, produced its somewhat ironically entitled excellence plan, cataloguing the safety problems and the critical nature of the infrastructure with respect to both electricity and water supply on the site. Why did the Government not insist that further resources—staffing and, of course, financial resources—be invested in the site to clean it up at that point? The Minister will know that expenditure in 2012-13 was £7,348 million, with £3,157 million from the Department of Energy and Climate Change itself. The year following that report, 2013-14, saw a substantial increase to £9,822 million, and the programme was no exception to that rule. As we have discussed before, it is important that we have proper transparency and proper accountability on such a fundamental matter. Having watched the programme, I thought there was adequate balance in it, in the sense that the issues were raised and space was given for what I thought was adequate rebuttal of them in the rebuttals published by the NDA and the regulator, and the confirmation made to us about their view that nothing has changed in their perception of Sellafield. That is a matter of record and it is up to the BBC whether it continues to extend the balance shown in the programme and reflect that reality.

Callum McCaig (Aberdeen South) (SNP): I welcome the opportunity to address the matter, and I congratulate the hon. Member for Copeland (Mr Reed) on successfully tabling his question. The issue is an important one and our prime concern on the Scottish National party Benches, as it is across the House, is the safety of staff and of the communities around Sellafield. The harsh lesson of incidents at nuclear power plants is that where safety is concerned, there can be no shortcuts in any circumstances. The Minister said that there would be no complacency on the Government’s part. What assurances has he sought that the issues identified in the BBC “Panorama” programme, particularly those related to staffing levels, will not be repeated at the Sellafield site?
The issue of a permanent storage facility for the high level toxic legacy that we have has caused some consternation over the years. What progress has been made in identifying a safe and secure deep geological storage facility? We know that the economic costs in the nuclear industry are high, but the cost of allaying security and safety concerns is astronomical. If the price is too high to pay, will we scrap the nuclear obsession with Hinkley? What assurances can the Minister give us that there will be no repercussions or attempted retribution for the whistleblower?

Mr Hurd: On the last point, I can reassure the hon. Gentleman. Whistleblowers always have a role to play. They are part of the landscape of accountability and transparency, and anyone watching that programme will have reached their own view on the motivations of those individuals. It is not an issue for Government. The hon. Gentleman sought assurances that issues would not be repeated. The critical thing, as we have discussed, is this House’s confidence that the architecture of transparency and accountability in the process, the role of the regulator and the way in which the regulator reports to this House is sufficiently robust. I have not heard any comments suggesting that the House does not have confidence in that process.

The hon. Gentleman is right to say that we are dealing with an unsatisfactory legacy of the past, when things were not thought through properly and were poorly designed. Now, when we look at new nuclear, we see that the process has changed. The decommissioning process is negotiated up front. The hon. Gentleman is right that permanent long-term solutions must be found. When we are clearer about that, we will make announcements at the appropriate time.

Mr Philip Hollobone (Kettering) (Con): I welcome my hon. Friend to his new post. Given his new role in the Department, when does he expect to visit Sellafield to see it for himself?

Mr Hurd: I am delighted that my hon. Friend makes that point. It is a measure of the importance that the Government—effectively, a new Administration—attach to the issue that last week Sellafield was visited by not one Minister but two: Baroness Neville-Rolfe, who leads on energy in the Department, and, I am delighted to say, the Chief Secretary to the Treasury. That is significant in itself.

Sue Hayman (Workington) (Lab): I thank my hon. Friend and neighbour the Member for Copeland (Mr Reed) for bringing this important matter before the House. I have many constituents who work at Sellafield and they have been in touch with me, as has the local Prospect union, because they are concerned about what the “Panorama” programme said about safe staffing levels. Those staff are committed to the highest standards of safety. They are a huge asset to our nuclear industry and they feel undermined by what was said in the programme. Can the Minister reassure my constituents and others working at Sellafield that there will be continued investment to fund the programmes and skills training there and show that the staff there are truly valued for the work that they do?

Mr Hurd: I am grateful to the hon. Lady for giving me the opportunity to reaffirm again the Government’s appreciation for the extremely challenging and incredibly important work that is done by people on the site. It is deeply impressive that, given the complexity of the site and the legacy—this is really difficult stuff—Sellafield’s safety record over the past three years is the best that it has ever been. I quite understand why residents and people working at the site may have been upset and disturbed by the programme last night, but I hope that my statement and corroborating statements from other Members have reassured them that as far as the Government are concerned—not least because the independent regulator attaches enormous importance to Sellafield, as reflected in the resources committed to monitoring the site on a very proactive basis—Sellafield is safe.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I appreciate that the Minister has a duty to offer reassurance, but I have to warn him that the content and tone of what we have heard today come dangerously close to complacency. The people who have been responsible for the historical errors of judgment and underinvestment are still involved in the industry today. These words will be heard with concern in the north of Scotland, where we are seeing nuclear waste shipped out from the former Dounreay plant. Will the Minister have the risk assessment for that operation scrutinised independently of the people who were responsible for making the plans?

Mr Hurd: The right hon. Gentleman is an experienced Member of Parliament so I take seriously his warning about tripping over a boundary into complacency. I said at the start that I was determined not to do that. What I am trying to do is reflect genuine empathy with people who live close to the site and who work on the site, who will have been unsettled by the programme last night, which raised nothing new and which, I am keen to stress, in the eyes of the regulator does not change its position in relation to the safety of Sellafield.

The right hon. Gentleman will forgive me if I give some priority to that. He knows the reality of the situation at Sellafield, which is that as a legacy of the cold war, vast amounts of nuclear waste, dumped with no plan for how it would be disposed of safely, languished for decades without anyone properly tackling the problem. The priority for us is to do what we are doing now, which is to continue working to turn that round and clean up Sellafield as safely, cost-effectively and quickly as possible.

Mr Ben Bradshaw (Exeter) (Lab): Given what the Minister says about transparency, accountability and the paramount importance of safety in the nuclear industry, and given the Prime Minister’s clear concerns about security and the more widespread concerns about the economics, can the hon. Gentleman give us an assurance that the Government will come back to this House before making a final decision on Hinkley C?

Mr Hurd: I understand the right hon. Gentleman’s point. I have nothing to add to the public statements about the process of reviewing the Hinkley decision, which will look at all aspects of that deal, and we will make suitable announcements when we are ready.
Ms Margaret Ritchie (South Down) (SDLP): My constituency is directly across the Irish sea from Sellafield. I have visited Sellafield twice. My constituents contacted me last night. Like me, they watched that programme and were deeply unsettled by it. Given the catalogue of safety hazards that were highlighted last night, and also those that have been documented since Sellafield, and prior to that Windscale, were opened, and the history of both recorded and unrecorded discharges of radioactive waste into the Irish sea, will the Minister commit to working directly with the Nuclear Decommissioning Authority to ensure that an accelerated programme of decommissioning is put in place which will protect communities on both sides of the Irish sea and also ensure the safety of the staff there?

Mr Hurd: I understand the point that the hon. Lady makes on behalf of her constituents. That reinforces the point that I was trying to make earlier about the importance of this statement to try to give some reassurance to all communities that may be affected. I hope that I have done so. As I said, we have confidence in the NDA. We monitor its work closely in terms of both value for money and pace.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): The Minister has talked a number of times about cleaning up Sellafield as “cost-effectively” as possible, yet it was only when the Public Accounts Committee in the last Parliament looked closely at the issue that the Government moved to remove Nuclear Management Partners, the American consortium that was running Sellafield. Will he now undertake, as the new Minister, not only to visit, but to make sure that, in all the complex engineering work on this very complex site—I think three of the top 10 engineering challenges internationally are at Sellafield—the difficulty does not overblow the challenge of benchmarking engineering projects in similar fields, so that we get good value for money for the taxpayer while carrying out the important clean-up?

Mr Hurd: I take this opportunity to congratulate the hon. Lady on the extremely effective way she has chaired that Committee. The point she makes about the role of the PAC in this is really important in terms of reinforcing the framework of transparency and accountability around this incredibly complex process. This process carries a huge bill for the taxpayer, so it is absolutely imperative for a Government of any colour to drive it forward in as responsible and cost-effective a way as possible, with value for money being a prime consideration, but I take on board her suggestion very seriously.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The UK Government’s entire nuclear policy, from Trident to Hinkley, is nothing short of appalling. If any of these allegations by the BBC are found to be true, it will surely be another in a long list of reasons to move away from this nuclear obsession. Does the Minister not concede that he should consider taking a leaf out of the Scottish Government’s book and ban the creation of new nuclear power stations to minimise the amount of waste going to Sellafield?

Mr Hurd: No.

Jim Shannon (Strangford) (DUP): The nuclear industry is normally a highly regulated sector. Has the Minister considered how his Department can work with Sellafield to ensure that there is faster implementation of safety measures and that the issue of storage—a very clear problem—is addressed as quickly and as safely as possible to ensure the smooth running of this vital plant?

Mr Hurd: In principle, yes.

Mr Speaker: Order. I am grateful to the Minister and to colleagues.

BILL PRESENTED

Savings (Government Contributions) Bill

Presentation and First Reading (Standing Order No. 57)

Mr Chancellor of the Exchequer, supported by the Prime Minister, Mr David Gauke, Jane Ellison, Gavin Barwell, Simon Kirby, Richard Harrington and Mr Rob Wilson, presented a Bill to make provision for, and in connection with, government bonuses in respect of additions to savings accounts and other investment plans.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 59) with explanatory notes (Bill 59-EN).
Parental Bereavement Leave
(Statutory Entitlement)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.3 pm

Will Quince (Colchester) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for statutory entitlement to leave of absence from employment for bereaved parents and for connected purposes.

I seek leave to introduce a Bill to amend the Employment Rights Act 1996 to give parents who have suffered the loss of a child a statutory right to two weeks' paid leave. May I start by paying tribute to the former Member for Glasgow South, who campaigned for this change, and to the many hon. and right hon. Members across the House who support this campaign?

Every Member of the House will agree that there can be few more distressing life events than the loss of a child. Yet, up to 5,000 children die every year; many thousands of parents go through this personal tragedy. As the House is aware, my wife and I lost our son, who was stillborn full term, in October 2014, and I was entitled to two weeks off work, protected by statute under the paternity rules. As it happened, I had a very understanding employer, so my legal rights did not come into question. However, it was comforting to know that I was entitled to two weeks off work by law—that I could take that time as needed to come to terms with the incredible loss. I know how valuable it was to spend precious time with my wife coming to terms with what had just happened, registering the death, making the arrangements for the funeral and preparing to say goodbye.

I cannot begin to understand what it would feel like to lose a child at seven months or at two, five, 10 or 15 years old. The grief must be unbearable, and my heart goes out to any parent who has had to go through this most terrible of life events. Yet, why should those parents not have the same protection in law as those who lose a baby through stillbirth or in the first few days and months of life? In such situations, a bereaved mother and father are entitled to full maternity and paternity leave, but if someone loses a child or an older baby—nothing. Surely that cannot be right.

At present, there is no statutory right to take time off on compassionate or bereavement grounds. However, all employees have the right to take immediate time off for dependants; in effect, that is a legal right to take time off unpaid to take the necessary action. Yet, there is no set limit on how many days can be taken as leave and a rather vague definition of a reasonable amount of time. Further, there is no statutory right to be paid during this reasonable amount of time. The reference to taking action distinguishes this form of leave from bereavement or compassionate leave. The type of action contemplated by the relevant provision is arranging and attending a funeral, registering the death and so on; it does not provide a right to leave to cope with the emotional reaction to the child’s death. An employee’s right to bereavement leave is therefore not protected by law in this respect, and the duty to show compassion is left entirely to the employer’s better judgment.

To be clear, most employers are excellent; they act with compassion and kindness, offering their bereaved staff the time they need to come to terms with their loss. However, some do not, and they behave in a manner that falls well short of what we would expect of them. Of course, we expect employers to act with sensitivity and flexibility in situations like this. Yet, given the countless examples of organisations acting without sensitivity and with utter inflexibility, surely it is time for the Government to act.

I am certainly alive to the pressures on businesses at the moment—especially small businesses—and I am loth to introduce any additional regulatory burden. However, given the relatively and thankfully small number of bereaved parents annually, the cost to business would be small. There is also an argument that such a proposal is beneficial to business. Most employers already go out of their way to treat their staff with compassion and often give them fully paid leave. This change would allow them to recover some of the cost of doing so.

So how much would this cost? It is difficult to say, because it would largely come down to the eligibility criteria, but research conducted by the House of Commons Library suggests that the cost could be as little as £2 million per year. However, the reality is that every bereaved parent is different; some will want to take time off, and others will want to get straight back to work. In the same way, not everyone takes their full maternity or paternity rights. The issue, however, is that they have the choice and protection by law.

Some will come at this from a religious perspective. In Hinduism, for example, when a death occurs, relatives are required to observe a 13-day mourning period after cremation. In Judaism, family members are required to stay at home for seven days of mourning after a death.

Statutory bereavement leave is a common right across Europe and in many countries across the world. While the exact conditions vary in terms of total time off and whether said leave is paid or unpaid, it is remarkable that one can argue that Albania or Bosnia and Herzegovina have better worker rights in this area than us. My proposal would give UK workers some of the best bereavement rights in the world in terms of the length of leave possible. While other countries, such as Israel, offer leave with full salary, longer leave at a lower statutory rate is a good starting point.

This is also a popular idea. The 2014 report “Life After Death” from the National Bereavement Alliance and the National Council for Palliative Care quoted research from ComRes, which showed that 81% of people agreed that there should be a legal right to receive paid bereavement leave. The Government e-petition calling for bereavement leave for parents, organised by campaigner Lucy Herd, has over 25,000 signatures, and a Change.org petition has over 165,000 signatures. The campaign also has the support of many organisations, including Child Bereavement UK, the Lullaby Trust, Working Families, Cruse Bereavement Care, Dying Matters—the list goes on.

I fully appreciate the concerns the Government and other Members of the House may have over such a Bill. It will not be perfect. There will always be sincere disagreements over the length of time given and the eligibility criteria. However, let us not make the perfect the enemy of the good. This Bill would be an important first step, giving thousands of bereaved parents up and down the country the opportunity to come to terms with their grief without feeling the pressure of having to return to work. I commend the Bill to the House.
Question put and agreed to.

Ordered,

That Will Quince, Johnny Mercer, Frank Field, Dr Sarah Wollaston, Stewart Malcolm McDonald, Suella Fernandes, Wes Streeting, James Cartlidge, Greg Mulholland, Mike Wood, James Cleverly and Stella Creasy present the Bill.

Will Quince accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 28 October, and to be printed (Bill 60).

Finance Bill

[2ND ALLOCATED DAY]

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

New Clause 14

ENTREPRENEUR’S RELIEF: VALUE FOR MONEY

(1) 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 Entrepreneur’s Relief.

(2) The report shall have particular reference to—

(a) the cost to the Exchequer of the Relief;

(b) the number of individuals who have benefited from the Relief;

(c) the average tax deduction received by an individual as a result of the Relief; and

(d) the number of new business start-ups since introduction of the Relief.”—(Rebecca Long Bailey.)

Brought up, and read the First time.

1.11 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I beg to move, That the clause be read a Second time.

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

Amendment 174, page 167, line 40, leave out clause 82.

Government amendments 149 to 151.

Amendment 175, in schedule 14, page 481, line 36, at end insert—

‘(12) Section 169Z makes provision about the expiration of this Chapter.’

Amendment 176, page 499, line 15, at end insert—

“169VZ Expiration of Chapter 5 provisions

(1) The provisions of this Chapter shall remain in force until six 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 commissioned a review of the operation of Investor’s Relief and laid the report of the review before both Houses of Parliament.”

Rebecca Long Bailey: I shall speak to new clause 14 and amendments 174 to 176. Amendment 174 would remove clause 82 from the Finance Bill, thereby preventing the proposed cut to the rate of capital gains tax. The cut will reduce the basic rate of capital gains tax from 18% to 10%, and the rate on most gains made by individuals, trustees and personal representatives from 28% to 20%. Gains on residential property and carried interest will still be charged at the higher rate.
I do not want to go over old ground, but I must emphasise the Labour party’s opposition to this reduction in the rate of CGT. I thank my colleagues from other parties for joining us in our opposition. At a time when our public services are stretched to breaking point, the NHS is on its knees, our education sector is over-stretched, housing is in a state of complete crisis, people across the UK are being forced to use food banks, some mothers are going hungry because they cannot afford to feed their children and themselves, and the wider economy is in desperate need of direct investment in skills, infrastructure and industry, it seems frankly absurd to give a tax break of £2.7 billion to the richest people in our society.

Let us not forget that this CGT giveaway hails from a Budget that also planned to take away billions in welfare payments from the most vulnerable people in need of state support. The Government seemed quite happy at the time of the Budget for 300,000 disabled people to lose more than £3,000 a year in their personal independence payments. In stark contrast, our own research has found that the CGT-cutting measures of the Finance Bill amount to a tax giveaway to 200,000 people of about £3,000 a year on average. I am pleased to say that due to Labour’s opposition and the support of some Members from other parties, the worst has not yet happened in relation to PIP, but that still does not justify this policy decision in the Bill. Labour party research shows that just 0.3% of the population will benefit, with those taxpayers likely to benefit to the largest degree being in London and the south-east. If the Government do not accept our evidence, perhaps they will listen to the Resolution Foundation, which said that the CGT cut was “focused on those on higher incomes—unsurprisingly because in general better off households are the ones making capital gains in the first place.”

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The hon. Lady makes a compelling case. One of the major challenges we face in the UK is geographical and individual wealth polarisation. Based on what she says about where the likely beneficiaries of this tax system would be, what does she think that the policy will do to tackle the great challenge of wealth polarisation that we face?

Rebecca Long Bailey: I certainly do not think that it will address the issue that the hon. Gentleman raises—quite the opposite, in fact.

The Prime Minister herself made the following commitment to the British public on the steps of Downing Street:

“The government I lead will be driven not by the interests of the privileged few, but by yours.”

Going back on this policy today would be a good place to start.

Robert Jenrick (Newark) (Con): Does the hon. Lady acknowledge that, even after this cut, CGT rates in this country will still be higher than they were for the majority of time under the previous Labour Government?

1.15 pm

Rebecca Long Bailey: I note the hon. Gentleman’s point and thank him for making it.

If I could see some real benefit to the wider economy or society in these proposals, or if times were good for everybody, perhaps I could understand the Government’s rationale for making such cuts to capital gains tax, but as things stand these proposals are not driven by the interests of the nation as a whole, but to be enjoyed only by the privileged few. I urge all hon. Members to vote with us to remove these cuts from the Bill because the provision simply has unfairness at its very core.

Speaking of policies for the privileged few, new clause 14 would require the Chancellor to publish a report giving the Treasury’s assessment of the value for money provided by entrepreneurs’ relief. When entrepreneurs’ relief was discussed in the Committee of the whole House earlier this year, the then Minister said:

“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.”—[Official Report, 28 June 2016; Vol. 612, c. 236.]

It would seem opportune, then, for the Financial Secretary to accept our provision tying her down to a deadline, given that the Department is already conducting some of the research needed. The Government do not have the best track record of publishing documents when they say they will, so a deadline enshrined in legislation would help. To help the Government in this endeavour, we have listed particular reference points. The report would specifically consider the cost of the relief, the number of individuals who have benefited from it, the average tax deduction received by an individual and the number of new business start-ups since the relief was introduced.

Analysis by Tax Research UK shows that 3,000 people benefited by about £600,000 each from entrepreneurs’ relief in 2013-14, at a total cost of almost £2 billion to the Treasury. Unfortunately, the most up-to-date figures for 2014-15 are not yet available, but I suspect that similar analysis will show the same results. As I said in my remarks about clause 82, this amounts to a large sum going into the hands of the very few, and it certainly seems like an inefficient use of public funds. Of course, Labour Members are in favour of supporting entrepreneurialism wherever we find it and we want businesses to grow and flourish in the UK. However, is simply offering a massive tax break years down the line when a business is sold the best way to achieve that? Should not the Government be providing support to entrepreneurs in the early stages of their business development? How on earth could an entrepreneur know if he or she wants to sell their business further down the line, when it is only starting off, so as to factor in the benefits of this tax relief? Let us see some evidence today. I hope that the Minister will commit to taking my comments on board.

The same principle goes for investors’ relief, which is the subject of amendments 175 and 176. Those amendments would introduce a sunset clause whereby the relief would expire in six years’ time. To extend it, the Government would have to introduce secondary legislation, but in order to do so a review of investors’ relief would need to be held before the House. When we debated a similar amendment in the Committee of the whole House, the then Minister stated that the first set of data would not be available until 2020-21. We have therefore
helpfully amended our amendment to suit the Government’s timetable. I hope that the Financial Secretary will now commit to this sunset provision. Without wanting to repeat the remarks I made in the earlier debate, I think that requiring a review of the scheme’s efficacy would represent good practice—for all reliefs, indeed, not just this one.

Two often, tax reliefs are provided with the admirable aim of incentivising a certain type of behaviour, but there is no analysis—published analysis, I should say—of whether the policy is achieving the desired aim. That means that the limited resources that the Government keep telling us about might be diverted away from our public services, or limits could be put on our capital spending, for reliefs that might not even be working. I will not press amendments 175 and 176 to a vote, but I really hope that the Minister will address the merits of including such provisions when future tax reliefs are introduced.

I will touch briefly on Government amendments 149 to 151, which will ensure that the upper rates of capital gains tax will apply to carried interest gains. In short, carried interest gains refer to the profits paid to investment fund managers from the fund that are classified as capital gains rather than income for tax purposes. We support the amendments.

I am sure that all hon. Members are aware of the 38 Degrees campaign on the Mayfair tax loophole, which filled up our inboxes over the weekend. I will briefly reiterate the Labour party’s position. Clause 37 provides for a tapered system of income taxation on carried interest gains received in respect of investments that are held by a fund for less than three years. As the Minister explained in Committee:

“If the average holding period is less than 36 months, the payment will be subject to income tax. If the period is more than 40 months, the payment will be subject to capital gains tax.”—[Official Report, Finance Public Bill Committee, 30 June 2016; c. 42.]

The Labour party supports that provision, but we would have liked all carried interest to be subject to income tax. We tabled an amendment in Committee that would have removed the taper completely, thereby ensuring that all carried interest was treated at 100%—in other words, taxed as if it were income. Unfortunately, the Government did not support us, but none the less we still support the steps they have taken towards closing the so-called Mayfair tax loophole.

I will press amendment 174 to a vote, because the Labour party cannot and will not agree to a measure that benefits so few by so much. We will divide the House to prevent the unfair cut to capital gains tax from going ahead.

Rishi Sunak (Richmond (Yorks)) (Con): I know that when I mention the word “investor” in this House, some Opposition Members get a little a bit excited: their pupils dilate, their pulses quicken and their minds race with images of plutocrats rolling the dice of financial speculation. The reality, however, is a little different. I have spent my own career investing in businesses, and in this country private equity-backed businesses now account for almost 1 million people in employment. The latest research shows that in the run-up to the last crisis, those companies’ sales, investment in research and development, and, indeed, exports grew at a faster rate than the national average.

Furthermore, I am sure that everyone in the House would welcome more money for charities, more research funds for scientists, more scholarships for students who need them and lower insurance premiums, and that is indeed what the private equity industry delivers. The funds that private equity companies manage benefit all of us through university endowments, charitable foundations, pension funds and the floats of insurance companies. When the private equity industry does well, the pensioner, the scientific researcher and the scholar from a disadvantaged background all benefit.

This is a Finance Bill from a Government who value their investors and will not demonise an industry, and who know that no contribution, however great, should be allowed to skew the scales of social justice. The clauses that involve changes to carried interest will ensure that the rewards that investment managers receive for their efforts are taxed not only correctly, but fairly. The clauses will introduce a 40-month holding period to ensure that capital gains tax treatment is reserved for genuinely long-term investments, as it should be. I know that Members on both sides of the House support the welcome change to remove the base cost shift loophole, which allowed costs to be advantageous offset against gains. The Bill will also consolidate Government action on disguised fee income that was introduced in the last Finance Bill and ensure that fund managers are paying income tax when appropriate. All in all, the measures will raise in the order of £200 million in the next financial year.

Those new arrangements are not only fair for British taxpayers and society; they will also ensure that we remain competitive internationally. Our general treatment of carried interest, which has been the subject of much debate in this House and various Committees, is actually in line with the treatment carried out in the United States, Germany, Australia and France. All those countries agree with the notion that carried interest is capital in nature and should be treated as such. If we look across Europe, we will see that our rate for carried interest will sit in the middle of those for comparable countries: it will be a little bit above that in Switzerland and Germany, and a little bit below that in France.

The clauses reflecting changes to capital gains tax will ensure that the UK remains a pro-enterprise, pro-growth nation. Small and medium-sized businesses of the kinds that I used to invest in account for more than half of private sector employment in the UK. They are responsible for three quarters of all jobs created since 2008, yet I know from first hand that small and medium-sized British enterprises still struggle to attract enough equity capital to grow. Adjusted for GDP, the size of the UK’s venture capital market is a seventh of that of the United States. Just 3% of British companies manage to expand from three employees up to 10, which is half the rate in America.

When I hear about changes to capital gains tax rates, I think about how they will benefit all those small businesses, helping them get the capital they need to grow and to increase investment and employment. Indeed, investors’ relief and the other changes to capital gains tax included in the Bill will build on the success of the seed enterprise investment scheme, the enterprise investment scheme, the funding for lending scheme and the British Business Bank, all of which are providing British companies with the capital that is necessary for growth.
[Rishi Sunak]

The changes will ensure that Britain remains a competitive prospect for investment without compromising Government revenue. The hon. Member for Salford and Eccles (Rebecca Long Bailey) mentioned the state of our finances and the need for revenue. I am sure that she welcomes the fact that the Office for Budget Responsibility projects that capital gains receipts will top £7 billion this year and increase to £9 billion next year, which is higher than in any other year in the past decade and a half. Rather than being a sweet deal for the rich, our capital gains tax rate actually sits in the middle of the OECD league tables of capital gains tax rates. Ten countries have rates of 0%, and our rate of 20% will sit two points above the average.

As we contemplate leaving the European Union, it will be vital that Britain’s economy remains dynamic, open and competitive to attract the investment we need and maximise the opportunities afforded to us. The clauses relating to capital gains tax and carried interest will ensure that the UK does exactly that, and I will support them later today.

Kirsty Blackman (Aberdeen North) (SNP): I want to speak to the Labour party’s new clause 14 and amendment 174, which, as has been ably pointed out by the hon. Member for Salford and Eccles (Rebecca Long Bailey), would remove clause 82 and the increased nil-rate band for inheritance tax.

I will focus first on the entrepreneurs’ relief proposed by new clause 14, which makes a key point about the lack of Government transparency. When UK Governments of all colours introduce a tax change, they often do not return with the evidence to show that the policy has worked. They will implement the policy and say that it is wonderful, but they will not bring back the proof. The Minister was asked yesterday how many companies have benefited from the loan guarantee fund in relation to oil and gas, but she was unable to provide a detailed answer. I do not know whether she just did not have the answer at her fingertips or whether the Government have not actually sat down and worked it out. If Governments are going to make grand claims about what they are doing and how good their policies are, they really need to bring back their work and show it to us.

1.30 pm

Mark Field (Cities of London and Westminster) (Con): It is important, particularly in relation to entrepreneurial relief, to point out that the last thing we want is an economy where there are quick-fire gains. One of the criticisms of the tax treatment in the area of private equity and venture capital is that there have been too many incentives for people to sell out too quickly.

The corollary of that surely must be that if an entrepreneurs’ relief is designed to encourage entrepreneurs to hang on to their businesses in the longer term, it is difficult for the Treasury to bring back, in a shortish period of time, figures that suggest that a scheme has been a success. We have to look at the general tenor of an economy such as the UK. To that extent, I think that positive changes are being proposed, but I do not think that it is realistic or fair to expect the Treasury to come back in double-quick time and say, “This has been a great success.”

Kirsty Blackman: To be fair, the new clause does not ask the Treasury to come back in such a short time; it asks for a six-month review period. Instead of just saying that they will not do a review, the Government could quite easily say, “We will do a review, but we will do it in 18 months.” I would find that acceptable. I would like to see how the schemes are working. I am not necessarily saying that any of them are particularly bad, but the Government need to come back with their workings and tell us how those things are performing.

The UK tax system is incredibly, massively complicated, and there are tax reliefs and taxes for all sorts of things. I am not convinced that the majority of them are working as they were intended to, particularly those put in place 20 or 25 years ago. The whole thing needs looking at, and considering individual things is a sensible place to start. The new clause is about Government transparency, and anything we can do to increase Government transparency around tax reliefs, in particular, is great. It would be very good if the Government considered this for some point in the future, even if not exactly in the terms suggested.

The other thing I want to talk about is inheritance tax. The Conservative manifesto said that the party intended to “take the family home out of tax for all but the richest”. As I mentioned in Committee, I have a real issue with regarding £1 million homes, or homes that are worth close to £1 million, as normal family homes and not the preserve of the very richest. In Scotland, the average sale price in 2015 for a detached house was £238,000. In Edinburgh, which is at the higher end of the market in terms of price, the detached average sale price was £382,778. Those are detached homes—not family homes, necessarily—they are specifically at the higher end of the market. In the most expensive place in Scotland to buy, we are looking at homes costing £382,778.

I have been looking at what someone could get for £1 million. In Orkney—fair enough, it is probably not the best example—they could get a six-bedroom home with an attached three-bedroom lodge and a guest wing for less than £1 million. Nobody would call that a normal family home. In Ayr, they could get a 10-bedroom detached category B listed mansion for less than £1 million. Also in Ayr, they could get a six-bedroom home, which seems relatively modest, in these terms, with a swimming pool for under £1 million. None of those could be classed as normal family homes. They are, in the main, homes that have been inherited—[ Interruption. ] Very few people will have just picked up these homes.

The other thing that the Conservatives said in their manifesto was, essentially, “You have worked hard for your money; we would like you to keep it.” The vast majority of the homes in question will not be first-generation owned. They will have been sold by the second or third generation because they have been owned by the family for a long time. They are not, by any stretch of the imagination, normal family homes. Even in the centre of Edinburgh someone could manage to get an eight-bedroom, detached, very large house for £1 million, and that is the most expensive place in Scotland to buy a home.
The problem—this applies to a huge amount of the Conservative manifesto—is that the Conservatives think that what happens in the south-east of England is normal for the rest of the UK. It is not normal for the rest of the UK. I know that the south-east is where the majority of the population are based, but some thought needs to be given to this. Members will expect me to say this as a Scottish National party politician who supports independence, but if decisions were made closer to home, they would be more appropriate for people in Scotland.

Mark Field: I appreciate that my constituency is hardly typical as far as these matters are concerned—nor, indeed, is the Minister’s constituency on the other side of the river—but the logic of what the hon. Lady is saying is that we should move towards a regionalised tax system. I guess that she would quite like it to be a nationalised system, with the nation beginning on the other side of Hadrian’s Wall, but does she not recognise that the Barnett formula gives particular incentives to the nations of the United Kingdom, rather than to London and the south-east? I can understand the irritation that she feels about the fact that perhaps too much thinking is done for London and the south-east, but £1 million buys virtually nothing not only in my constituency but in many of the 73 constituencies in London, as well as those in the home counties. Short of regionalising our tax system, surely this is, at least, a sensible step forward to ensuring that those who have been able to bring up a family in a home are not forced to sell the home when a relative dies.

Kirsty Blackman: The right hon. Gentleman makes a good point. Perhaps we need to think about having differential policies across the UK, and possibly further devolution. That would be fantastic, and if he wants to support us in that cause, he is welcome to join us at any time.

This policy highlights a major difference between the south-east of England and the rest of the UK. The problem with Government being so far from people who are outside London is that policies are made for the benefit of the majority of the population—the people who live around here. That is really unfortunate for people in the north of England and in Wales, because the policies made by the national Government do not make sense for us.

Mark Field: Will the hon. Lady give way?

Kirsty Blackman: I will not take another intervention; I am sorry. I just want to mention briefly the Prime Minister’s statement that she will take “bold action” on tax. We have a big problem—we will still have a big problem after the changes that will be made by the Finance Bill, including the tax changes that we discussed yesterday—with the lack of parity and fairness in tax. Nurses, carers and people who work in all sorts of professions pay 20% tax. I acknowledge that the personal allowance has been raised, and that is very much appreciated, but those people pay the tax that is due on the majority of their income.

There are still too many loopholes in the rest of the system. I understand the point that was made about carried interest, and we need to see how that works going forward. I would love to see the Government’s working on that, and whether the policy has the effects that the Government intend. However, unearned income is still taxed at different rates from earned income. I understand the point that was made about private equity supporting our economy and supporting some of our community organisations, for example. However, the people in question are not paying the level of tax that they should be paying to the Government, so the Government do not have the funds to disburse that they should have to disburse.

We need to do something a bit more radical than tinkering around the edges. We need to look at making changes that actually bring about parity. We need to look at ensuring that the people who are making the megabucks in the City of London pay at least as much tax, and as high a percentage of tax, as our nurses and carers pay.

Mark Field: I will speak briefly in favour of amendment 151 on carried interest. In my time as a Member of Parliament, I have sometimes been critical of elements of the tax regime that applies in the private equity and venture capital world. It seems to me that the generous tax regime, although it has been justified to support entrepreneurs, has often been misused by those in the industry—inadvertently; I am not suggesting that anything untoward or nefarious has taken place. I believe that many in the private equity field have, particularly in good times, in effect been financiers rather than risk takers. As such, it would surely be more equitable for their rewards to be treated more like income than capital gains. That has been at the heart of the whole debate about carried interest.

The Government have been aware of this issue. Let us give them some credit for that. To some extent, we are trying to play catch-up on it. Inevitably, there has been controversy about the treatment of private equity firms’ carried interest, which is levied as a capital gain, rather than as income. There was a time—pre-2010—when the difference between those two things was rather greater than it is today. That may be because capital gains tax has been raised, but the starkness of the problem is to some extent less pronounced now than it was during the time of the last Labour Administration in the noughties.

It is clear that the Treasury is doing the right thing in trying to provide a more favourable regime that is intended to reward genuine entrepreneurs. In principle, that must mean that where carried interest looks like income, it should be treated as such for taxation purposes. That is what we are slowly doing with amendment 151.

Rob Marris (Wolverhampton South West) (Lab): Has the OECD not recommended that all carried interest should be treated as income?

Mark Field: It has, but there is a distinction between different elements of carried interest, and we are trying to get to the bottom of that. To be brutally honest, in the longer term I would be much happier to have a regime in which we treated capital gains and income identically. There would not then be any sense in trying to arbitrage one way or the other. In many ways, perhaps inadvertently, the coalition began to move in that direction.
I am sorry that I was not in the Chamber to hear the whole speech of my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), but he is absolutely right. Private equity has had a bad rap because of certain high-profile concerns—partly because of the misuse of tax to allow huge amounts of debt on to balance sheets—but a large number of businesses in each and every one of our 650 constituencies in the UK benefit from having private equity investors. Many jobs now exist because of the private equity investment that has come into play, particularly in growing businesses that will make a real difference in the future. The Government have broadly got this right, although I am sure we will have to come back and look at it again.

I would make one point to the hon. Member for Aberdeen North (Kirsty Blackman). It is not about inheritance tax—we have had our joust on that—but on a more fundamental point, on which I think she is absolutely right: the more complicated a tax code, the more the door is open to tax avoidance of all descriptions. We very urgently need to begin to simplify our tax code. We will add yet more pages to it today. A lot of them are to apply Elastoplast in ways that we can all support for individual reasons, but we need to get back to the principles of a much simpler tax system.

I believe that one of the impacts of leaving the European Union will be not a race to the bottom in lowering tax, but a much simpler tax system. This is a wake-up call for all of us in the House—obviously, particularly for those in the Treasury—to have a much simpler tax code. Such a code will be readily understandable and supported by all our constituents, which is one of the issues we face. It will also say to those bringing in much of the inward investment that will come to the UK from across the globe that we have a simple tax code, which will not be tinkered with in successive Finance Bills because it is very straightforward, and they will be able to work on that basis. I know that may be wishful thinking—going back many years, most Chancellors have talked about having a simpler tax code—but this now needs to be looked at urgently. Urgent attention must be paid to getting simplicity. If we do not do so, we will all very much pay the price.

Rob Marris: I entirely echo the right hon. Gentleman’s comments about simplification. I may attempt to catch your eye, Madam Deputy Speaker, to address the House on that issue later. However, I caution him against linking that to Brexit, because almost all the complications, of which there are many in what we now call the tax code, are due to domestic legislation and are nothing to do with the European Union. Brexit may afford us an opportunity to start at the bottom on various areas of Government policy and endeavour, but leaving the EU will not provide such an opportunity in this case.

1.45 pm

Mark Field: I am sure there is a lot of truth in that. I was a businessman before I entered the House. It was a relatively straightforward business, based in the City of London, in the service industry, so there were not a huge number of reliefs available, although it may well be that 20 years of additional pages of the tax code have made it even more bloody complicated than it was for those working in and setting up businesses in the 1990s. I agree with the hon. Lady. Again, getting rid of reliefs and making the system more straightforward is the right way forward. Rather than having a whole lot of reliefs to recommend to would-be entrepreneurs, let us try to cut down the whole thicket.

Madam Deputy Speaker, I have spoken for long enough. I almost veered off the subject, but had I done so, I am sure you would have been the first to stand up and say so. I very much hope that amendment 151, among others, will be supported. It is definitely a move in the right direction, although I am sure we will have to come back to the issue of carried interest in the future.

Seema Malhotra: I am grateful for the opportunity to speak in this debate, which was opened by my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey), on the new clause and amendments relating to capital gains tax. I will speak particularly about new clause 14, on “Entrepreneur’s Relief: value for money”, amendment 174, which would remove the capital gains tax cut, and amendments 175 and 176 on the investors’ relief sunset clause. Labour’s main issue of contention with the Government is the reduction of capital gains tax, the reasons for which have been well outlined. I want to highlight the very serious issue of value for money in public finances, and to continue to make our call for the Government to look at the way in which we scrutinise and review tax reliefs.
As we have argued since the Budget, the Finance Bill is inadequate if we are to rise to the challenges we face and to work towards a very strong economy in which we can all feel and believe that prosperity is shared by all. At a very tough time for the public finances, the Government have chosen to prioritise a corporation tax cut and a capital gains tax cut. Certainly while working on the Finance Bill, including as shadow Chief Secretary, I have had several conversations with business figures who quite openly said that they did not necessarily expect a corporation tax cut while other issues that are so important for their business success—investment in skills, housing, infrastructure and superfast broadband, and ensuring that we get the productivity shifts this country so desperately needs—require great attention. To purport that there is a simplistic link between a capital gains tax cut and a strong enterprise and investment culture is therefore not very honest, because it has not been proven that the cut is either necessary or sufficient to achieve that outcome, which we do indeed want.

Let us not forget that at the last Budget, the OBR took all the Chancellor’s measures into account and still downgraded the business investment forecasts. The latest figures from the Office for National Statistics estimate that business investment decreased by 0.8% between the second quarter of 2015 and the second quarter of 2016. Therefore, it continues to be a concern that the Government’s economic strategy does not take into account the wider needs of businesses beyond tax cuts.

It is the context of squeezed public services and lack of investment that leads me to raise the issue of tax reliefs, particularly those pertaining to capital gains tax, and the way in which we understand the needs of businesses. Tax reliefs are an important part of our tax system and have been needed for a variety of reasons, many of them extremely valid. However, after six years of this Government’s failure on the economy, in so many ways, with many people feeling the brunt of the cuts and with our public services under considerable strain, every penny of public spending should be going on much needed investment in our schools and hospitals and on supporting the most vulnerable. The figures got even worse this summer, with more than a third of children leaving school without the equivalent of five good GCSEs, and schools in my constituency tell me that they are giving out money every day to help parents buy school uniforms and shoes. We therefore need to justify every penny that is spent by the Exchequer.

That also has to apply to every penny that is not collected. Tax reliefs are effectively tax forgone. I firmly believe that we need to apply just as much scrutiny to relief as we do to expenditure. That is not to say that I am opposed to tax reliefs to incentivise good and positive behaviour—far from it. For me, providing behavioural incentives to achieve economic and social goals is a central part of the role of Government, but they must use effective judgment that is based on the interests of fairness and prosperity. A Government who are working in strategic partnership with business and industry in the interests of the economy and society will actively consider such measures.

However, there is a serious paucity of scrutiny of whether and to what extent various tax reliefs are achieving those goals and whether they remain value for money for the taxpayer. The HMRC website lists 405 tax reliefs in the UK, but in reality there are many more. The Office of Tax Simplification has identified 1,410 tax reliefs. Of the 405 tax reliefs listed by HMRC, 102 cost more than £50 million, 84 cost under £50 million and there are 219 for which HMRC does not provide cost data.

Rob Marris: Does my hon. Friend agree that of all those reliefs, the biggest scandal is tax relief on pension contributions, which costs more than £30 billion a year in forgone revenue and principally goes to the most well-off? For years, the Department for Work and Pensions has had no evidence that that tax relief produces a change in behaviour that results in more people making pension contributions. We are, in effect, handing out a lot of money mostly, but not entirely, to a lot of rich people to get them to do something, when there is no evidence that it does so.

Seema Malhotra: My hon. Friend makes an important point. The conundrum of how we fund, finance and incentivise pension savings needs to be thought about much more holistically. He highlights an example of incentives that reach not the majority, but a minority. We must keep that under review.

The Public Accounts Committee took forward the work of the National Audit Office on these issues and took evidence. Its report found that some reliefs “costing some £100 billion a year, are designed to deliver a policy objective that could be met instead through spending programmes”, which would be more rigorous and more auditable. The report states that “HM Treasury and...HMRC do not keep track of those tax reliefs intended to influence behaviour. They do not adequately report to Parliament or the public on whether reliefs are working as intended and what they cost and whether they represent good value for money.”

Nothing has really changed since the report was published last year. That is why Labour continues to raise this issue during the passage of the Finance Bill.

We need to question the efficacy of tax reliefs such as capital gains tax relief and entrepreneurs’ qualifying business disposals, or entrepreneurs’ relief. There are clear reasons for entrepreneurs’ relief and it can be argued that it incentivises investment, but does it make a great enough difference to be worth £3 billion a year to the Exchequer? I do not claim to have all the answers, but we do need evidence to prove that it makes that difference and the Government need to be challenged to justify this and other reliefs.

In Committee of the whole House, the then Financial Secretary to the Treasury defended entrepreneurs’ relief and, as usual, did so without evidence, saying: “of course, 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”.—[Official Report, 28 June 2016; Vol. 612, c. 245.]

I challenge the Government to say when they will do that. New clause 14 would make the Government and all of us turn those warm words into action.

Furthermore, the Finance Bill introduces a new relief, investors’ relief, which extends the low rate of capital gains tax to investors in an unlimited trading company for at least three years. In principle, I support the idea of a relief that is intended to incentivise investment and to support access to capital for businesses, particularly at...
an early stage in a business’s life cycle, if we can provide evidence that it will help turn those with initial ideas into the successful job creators and innovators of the future. That is extremely important in creating the economy of the future, with all the opportunities that new technology and other initiatives can bring.

However, it concerns me that this could end up being yet another tax relief that is introduced for a good reason, but then left to mushroom into a relief that is extremely expensive and difficult to remove. We need a mechanism to ensure that there is time to review whether it is achieving the desired effect, whether the costs are aligned to those that are forecast and whether it constitutes value for money. For that reason, I support the sunset clause for the relief in Labour’s amendment 176, which would ensure that after a number of years, when we have the evidence on which to base our conclusions, those questions will not go unanswered.

I call on the House and the new Treasury Ministers to take seriously our scrutiny of tax reliefs and to support the Opposition amendments, which would put in place proper mechanisms for reviewing the reliefs and ensure that they remain targeted at supporting businesses, while showing evidence of value for money.

The Financial Secretary to the Treasury (Jane Ellison):
I will start by outlining the Government amendments in the group before responding to some of the points that have been made by hon. Members in what has been a thoughtful debate. As a new Treasury Minister, I have found a number of the speeches good food for thought as I look forward to a series of meetings into the autumn.

On Government amendments 149 to 151, the Finance Bill provides an incentive for people to invest in companies by reducing the main rates of capital gains tax from 18% to 10% and 28% to 20% on most gains made by individuals, trustees and personal representatives. We announced at the Budget that the 28% and 18% rates would continue to apply for carried interest. That is justified by the fact that carried interest is a performance-related award that is hybrid in nature, with characteristics that distinguish it from most other types of capital gain, as was alluded to by some hon. Members. We recently learned that it is possible to create an investment fund structure generating carried interest that, under clause 82 as it stands, would be taxed at 20% or 10%. That would clearly be unfair and contrary to policy. The amendments therefore ensure that the continuing 28% and 18% rates apply to all forms of carried interest.

2 pm
I welcome the support of my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) for the general approach that we are taking in a number of measures in the Bill and in particular for his comments on this matter and the knowledge of it that he brings to the House. I also welcome the support of the Opposition Front-Bench team for the amendments, which we feel strike a sensible balance.

Labour’s amendment 174 would delete clause 82 in its entirety. The lower rates of capital gains tax introduced by the clause make it more attractive for people to invest in companies, helping those companies access the capital they need to grow and create jobs. The changes are part of this Government’s efforts to ensure that our tax system is competitive—never more important than now, as we head into a new future outside the EU—and encourages investment, which will help drive our economy forward into that new future. At 28%, our higher rate of capital gains tax was among the highest in the developed world. We do not want high tax rates to deter investment.

Rob Marris: The Minister says that the measures will drive investment. What evidence is there for that?

Jane Ellison: That point has been made repeatedly. Contributions from those critical of the policy often miss the way in which measures interact. We are trying to create a climate that encourages investment. A number of international studies have indicated that low 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. The evidence is there. The measures are part of a package that is trying to create a climate that makes our country attractive to invest in and enables domestic investors to invest in company growth. At the same time, as we have stressed and as other measures in the Bill stress, taxes must be fair and must be paid; the hon. Gentleman took part in a good debate last night about some of those measures.

A number of external bodies have expressed support for clause 82—that also goes to the hon. Gentleman’s point. The CBI and the Institute of Economic Affairs have both welcomed the cuts as a means of encouraging entrepreneurship and growth, and, as I have said, there is a body of evidence, not least internationally, to indicate that lower rates support equity investment in firms and promote higher-quality investment in start-ups. Again, I welcome the support of and international perspective given by my hon. Friend the Member for Richmond (Yorks) on this subject.

The changes made by clause 82 are about encouraging investment where we want businesses to expand. As I have said, they are very much a part of a general pro-business agenda, but we have also been clear that we want fair and competitive taxes and that taxes must be paid. We addressed that in a good debate last night, when there was a good degree of cross-party consensus.

The hon. Member for Salford and Eccles (Rebecca Long Bailey) mentioned the geographical distribution of the CGT cut. HMRC publishes national statistics on CGT each year that include a breakdown of its payers by geographical distribution, so there is transparency on that. It is also worth saying that it has been estimated that up to 130,000 individuals will pay lower taxes as a direct result of these changes to CGT, including 50,000 basic rate taxpayers.

The hon. Member for Feltham and Heston (Seema Malhotra) made a typically thoughtful speech, not just on CGT but on her general thoughts on tax reliefs and how we review them, as well as on tax simplification. Again, I felt that she did not perhaps entirely address the interaction between the various measures—they cannot be seen in isolation. The other issues she mentioned are hugely important; for example, the investment in skills, but I did not think she was fair about what the Government have done on that agenda, which has resulted in record levels of apprenticeships. She is right
to say that there are other issues such as that one, but these measures are part of a general package and are not the whole picture.

Amendments 175 and 176 were also tabled by the Opposition. In the 2016 Budget we announced the introduction of investors’ relief, benefiting long-term investors in unlisted companies. As has been explained, the amendments seek to end that new relief after a period of six years, with the option of an additional 12-month extension if agreed by both Houses, and ask the Chancellor to lay a review of the operation of the relief before both Houses.

The amendments are unnecessary as the Government keep all tax policy under review in line with normal tax policy making practice. The hon. Member for Aberdeen North (Kirsty Blackman) again, I thought, did not really give credit to the interaction of different measures nor to the wider point that, given that the Government are bringing the measures forward to stimulate economic growth, there is absolutely no incentive for us not to keep a very close eye on them and review them at regular intervals. We do so all the time because we want measures to work—we want our measures to stimulate economic activity, and we do not in any way want them not to work. Indeed, there are a number of measures in the Bill to correct things that have been done in the past, where we feel that an improvement could make something work better.

We feel that there would be limited merit in conducting a review within six years as the first data on the uptake of the relief in its first year of operation will not be available to HMRC until 2021. Amendments 175 and 176 are neither needed nor useful, and we ask the Opposition not to press them to a vote.

New clause 14, again tabled by the Opposition, proposes that the Chancellor publish, within six months of the passing of the Bill, a report of the Treasury’s assessment of the value for money provided by entrepreneurs’ relief. As I have just said, the Government keep all tax policy under review because we want it to do what we have set out as the intention behind it, namely to stimulate economic activity and to make investment in business attractive to people. That review includes entrepreneurs’ relief, as demonstrated by recent action taken to ensure that the relief is effective, well targeted and not open to abuse. We will continue to act, where appropriate.

My predecessor as Financial Secretary has already informed the House of this, but it is worth reiterating, as it is germane to this point, that HMRC officials have commissioned an in-depth survey of taxpayers’ reasons for using entrepreneurs’ relief and its effects on behaviour. We expect the results of that survey, which will be published at some point in 2017, to inform future changes to the relief. I hope that that gives Members some comfort that the relief is being looked at very closely.

In our wider debate, some general points were made about the Budget being tilted towards the south-east of England. A number of points could be made in rebuttal, not least the debate we had last night, which touched on support for the oil and gas sector in Scotland. More generally, some interesting points were made about having a simpler tax system. In the next part of our debate on the Bill, there will be an opportunity to discuss the Office of Tax Simplification, but as this point came up during the current debate it is worth noting that the Bill puts the OTS on a statutory footing. Around half of the OTS’s 400 or so recommendations to date have already been taken on board. I again take on board the point made by my right hon. Friend the Member for Cities of London and Westminster (Mark Field). I feel sure that this a topic that we will return to over the coming months and years.

I thank all Members who have spoken in the debate.

Rebecca Long Bailey: I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

Clause 82

REDUCTION IN RATE OF CAPITAL GAINS TAX

Amendment proposed: 174, page 167, line 40, leave out clause 82.—(Rebecca Long Bailey.)

The House divided: Ayes 236, Noes 291.

Division No. 58] [2.9 pm

**AYES**

| ABBOTT, MS DIANE | CReagh, Mary |
| ABRAMS, DEBBIE | CReasy, Stella |
| AHMED-SHEIKH, MS TASMINA | CRuddas, Jon |
| ALIN-KHAN, DR ROSENA | Cryer, John |
| ANDERSON, MR DAVID | Cummins, Judith |
| ARKLESS, RICHARD | Cunningham, Alex |
| ASHWORTH, JONATHON | Cunningham, Mr Jim |
| BAILEY, MR ADRIAN | Dakin, Nic |
| BARDNELL, HANNAH | Danzuk, Simon |
| BARRON, RH KEVIN | David, Wayne |
| BECKETT, RH MARGARET | Davies, Geraint |
| BENN, RH HILARY | Day, Martyn |
| BLACK, MHAIRI | De Piero, Gloria |
| BLACKFORD, IAN | Debonnaire, Thangam |
| BLACKMAN, KIRSTY | Docherty-Hughes, Martin |
| BLACKMAN-WOODS, DR ROBERTA | Donaldson, Stuart Blair |
| BLINKINSOP, TOM | Dowd, Peter |
| BLOMFIELD, PAUL | Dromey, Jack |
| BOSWELL, PHILIP | Durkan, Mark |
| BRADSHAW, RH MR BEN | Eagle, Ms Angela |
| BRAKE, RH TON | Eagle, Maria |
| BRENNAN, KEVIN | Edwards, Jonathan |
| BROCK, DEIDRE | Efford, Clive |
| BROWN, ALAN | Elliott, Julie |
| BROWN, RH MR NICHOLAS | Ellman, Mrs Louise |
| BRYANT, CHRIS | Elmore, Chris |
| BUCK, MS KAREN | Evans, Chris |
| BURDEN, RICHARD | Farrell, Paul |
| BURCH, RH ANDY | Fellows, Marion |
| BUTLER, DAWN | Ferrier, Margaret |
| BYRNE, RH LIAM | Field, rh Frank |
| CADDURY, RUTH | Fitzpatrick, Jim |
| CAMPBELL, MR RONNIE | Fletcher, Colleen |
| CAMMICHIALE, RH MR ALISTAIR | Fovargue, Vorron |
| CHAMPION, SARAH | Furniss, Gill |
| CHAPMAN, DOUGLAS | Gapes, Mike |
| CHAPMAN, JENNY | Gardiner, Barry |
| CHERRY, JOANNA | Gethins, Stephen |
| CLOWD, RH ANN | Gibson, Patricia |
| COAKER, VERNON | Glass, Pat |
| COFFEY, ANN | Glindon, Mary |
| COOPER, RH YYETTE | Goddard, Mr Roger |
| COWAN, RONNIE | Goodman, Helen |
| CRAWLEY, ANGELA | Grady, Patrick |
| CRAWLEY, ANGELA | Grant, Peter |
Mears, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Morden, Jessica
Mulholland, Greg
Mullin, Roger
Murray, Ian
Nandy, Lisa
Newlands, Gavin
O’Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Reed, Mr Steve
Rees, Christina
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Marrie
Ritchie, Ms Margaret
Robertson, rh Angus
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Shuker, Mr Gavin
Skinner, Mr Dennis
Slaughter, Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Jeff
Smith, Nick
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Theiwiss, Alison
Thomas, Mr Gareth
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Wishart, Pete
Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allan, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Arker, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Berestoff, Sir Paul
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bowick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brokenhurie, rh James
Bruce, Fiona
Buckland, Robert
Burns, Mr Dorrian
Burns, Mr Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Cameron, rh Mr David
Campbell, Mr Gregory
Carmichael, Neil
Carwell, Mr Douglas
Cartridge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehan
Chope, Mr Christopher
Churchill, Jo
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérése
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davis, rh Mr David
Dinenage, Caroline
Djaniogly, Mr Jonathan

Tellers for the Ayes:
Vicky Foxcroft and Mr Alan Campbell

NOES
Dodd, rh Mr Nigel
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Dudbridge, James
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
Fabricant, Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Frangis, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mr Peter
Gray, Mr James
Graying, rh Chris
Green, Chris
Green, MrDamian
Greening, rh Justine
Gummer, rh Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, 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
Hermon, Lady
Reduction in rate of capital gains tax

Amendments made: 149, page 167, line 42, leave out “(11)” and insert “(11A)”. Amendment 150, page 168, leave out line 14 and insert—

“(c) carried interest gains (see subsections (12) and (13)).” Amendment 151, page 169, line 4, at end insert—

‘(11A) After subsection (11) insert—

(12) In subsection (2A)(c) “carried interest gains” means—

(a) gains treated as accruing under section 103KA(2) or (3), and

(b) gains accruing to an individual as a result of carried interest arising to the individual where—

(i) the individual performs investment management services directly or indirectly in respect of an investment scheme under arrangements not involving a partnership,

(ii) the carried interest arises to the individual under the arrangements, and

(iii) the carried interest does not constitute a co-investment repayment or return.

(13) For the purposes of subsection (12)(b)—

(a) “carried interest”, in relation to any arrangements, has the same meaning as in section 809EZB of ITA 2007 (see sections 809EZC and 809EZD of that Act);

(b) carried interest “arises” to an individual if it arises to him or her for the purposes of Chapter 5E of Part 13 of ITA 2007;

(c) “arrangements”, “investment management services” and “investment scheme” have the same meanings as in that Chapter (see sections 809EZA(6) and 809EZE of that Act);

(d) “co-investment repayment or return” has the same meaning as in section 103KA.”—(Jane Ellison.)

New Clause 9

Tax treatment of supplementary welfare payments: Northern Ireland

‘(1) In this section “supplementary welfare payment” means a payment made under regulations under—

(a) Article 135(1)(a) of the Welfare Reform (Northern Ireland) Order 2015 (S.I. 2015/2006 (N.I. 1)) (“the Order”) (discretionary support),

(b) Article 137 of the Order (payments to persons suffering financial disadvantage), or

(c) any provision (including future provision) of the Order which enables provision to be made for payments to persons who suffer financial disadvantage as a result of relevant housing benefit changes.
(2) In subsection (1)(c) “relevant housing benefit changes” means changes to social security benefits consisting of or including changes contained in the Housing Benefit (Amendment) Regulations (Northern Ireland) 2016 (S.R. (N.I.) 2016 No. 258).

(3) The Treasury may by regulations amend any provision of Chapters 1 to 5 of Part 10 of ITEPA 2003 so as to—

(a) provide that no liability to income tax arises on supplementary welfare payments of a specified description;

(b) impose a charge to income tax under Part 10 of ITEPA 2003 on payments of a specified description made under regulations under Article 137 of the Order (payments to persons suffering financial disadvantage).

(4) The regulations may make—

(a) different provision for different cases;

(b) incidental or supplementary provision;

(c) consequential provision (which may include provision amending any provision made by or under the Income Tax Acts).

(5) Regulations made before 6 April 2017 may, so far as relating to the tax year 2016-17, have effect in relation to times before they are made.

(6) Regulations under this section are to be made by statutory instrument.

(7) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.

(8) In section 655(2) of ITEPA 2003 (other provisions about the taxation of social security payments) after the entry relating to section 782 of ITTOIA 2005 insert “;

section (Tax treatment of supplementary welfare payments: Northern Ireland) of FA 2016 (tax treatment of supplementary welfare payments: Northern Ireland).”

Brought up, and read the First time.

Jane Ellison: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Mrs Eleanor Laing): With this it will be convenient to discuss the following:

New Clause 2

Review of the impact of the duty regime for high-strength cider

‘(1) The Chancellor of the Exchequer must carry out a review of the impact of the rate of duty charged on sparkling cider of a strength exceeding 5.5% and lay the report of the review before both Houses of Parliament within 12 months of this Act receiving Royal Assent.

(2) The review must address (though need not be limited to)—

(a) levels of take-up of the allowance;

(b) the impact of the allowance on individuals with children aged five years or under;

(c) the impact of the allowance on low-income households; and

(d) ways in which the allowance could be changed to target low-income families with young children.”

New Clause 6

VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service

The Chancellor of the Exchequer must commission a review of the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service, including but not limited to an analysis of the impact on the financial position of Police Scotland and the Scottish Fire and Rescue Service arising from their VAT treatment and an estimate of the change to their financial position were they eligible for a refund of VAT under section 33 of the VAT Act 1994, and must publish the report of the review within six months of the passing of this Act.”

New Clause 8

Review of changes to tax on dividend income

‘(1) The Chancellor of the Exchequer must commission a review of how the changes to the tax on dividend income implemented by this Act affect directors of micro-business companies, to include—

(a) the impacts across the distribution of such directors’ net income;

(b) the impact on company failure rates; and

(c) options for amending the law to minimise the impact on such directors who are on low incomes.

(2) The Chancellor must lay a report of the review before both Houses of Parliament within six months of the passing of this Act.”

New Clause 15

VAT on installation of energy saving materials

‘(1) No order shall be made under the Value Added Tax Act 1994 which would have the effect of raising the rate of VAT on installation of energy saving materials, or any individual category thereof.

(2) No order shall be made under the Value Added Tax Act 1994 to vary Schedule 7A of that Act by deleting or varying any description of supply within Group 2 (Installation of Energy Saving Materials).

(3) “Installation of energy saving materials” has the meaning given in Schedule 7A of the Value Added Tax Act 1994.”

New Clause 16

Review of impact of tax measures on intergenerational fairness

‘(1) Within six months of the passage of this Act the Secretary of State must lay before Parliament a report assessing the impact of —

(a) Sections 1 to 3,

(b) Sections 19 to 22,

(c) Section 82,

(d) Sections 92 to 96, and

(e) Section 140

on the burden of taxation by age demographic.
New Clause 18

IMPEMENT OF SECTION 24 OF FINANCE (NO 2) ACT 2015 ON AVAILABILITY OF AFFORDABLE HOUSING

The Chancellor of the Exchequer must commission a review of the impact of changes relating to income tax made by Section 24 of the Finance Act 2015 on the availability of affordable housing, and lay the report of the review before both Houses of Parliament within six months of the passing of this Act.

New Clause 19

DISTRIBUTIONAL ANALYSIS OF THE IMPACT OF TAXATION MEASURES

(1) The Chancellor of the Exchequer must review the impact of the measures introduced by this Act on households at different levels of income, and lay before each House of Parliament the report of that review within six months of this Act coming into force.

(2) The Chancellor of the Exchequer must review the impact of government fiscal measures on households at different levels of income at least once in each calendar year, and lay before each House of Parliament a report on each review.

Government amendments 132 to 134, 146 to 148 and 135.

Amendment 179, clause 99, page 185, line 20, at end insert—

"(c) ‘earning’ do not include any amounts that constitute qualifying bonus payments within the meaning of section 312B of the Income Tax (Earnings and Pensions) Act 2003.

Government amendment 138.

Amendment 141, schedule 3, page 337, line 1, at end insert—

"(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which those functions are exercisable.

(2) Any question arising under sub-paragraph (1) is to be determined by the Speaker of the House of Commons.

Jane Ellison: In this final debate, there is an array of amendments and new clauses to consider across a wide range of subjects. I am sure that we will cover a great deal of ground.

Let me first outline briefly the Government amendments, starting with Government new clause 9. To ensure fairness in the tax system, new clause 9 allows for the exemption from income tax of supplementary benefit payments funded by the Northern Ireland Executive. Government amendments 132 to 134 deal with disguised remuneration and Government amendment 139 deals with aqua methanol. Amendments 132 to 134 change the date for withdrawing a relief on returns arising from disguised remuneration for those who have not settled tax due to 1 April 2017, while amendment 139 changes the date on which the new aqua methanol duty rate comes into force to 14 November.
Government amendments 135, 146 to 148 and 138 concern venture capital trusts, the lifetime allowance and dividends respectively. They make changes to ensure that these policies work as intended.

Let me deal with the new clauses and amendments tabled by the Opposition. New clause 15, tabled by the hon. Member for Salford and Eccles (Rebecca Long Bailey) and her colleagues is designed to prevent the use of secondary legislation to alter the rate of VAT applied to the installation of energy-saving materials. Since 2001, the UK has applied the 5% reduced rate of VAT to the installation of 11 different types of energy-saving materials. That reduced rate remains in place and is unchanged. The European Court of Justice ruled last year that the UK had interpreted VAT law too broadly. Following that judgment, the Government published a consultation on this particularly complex issue, and we are considering the responses. While this new clause is designed to prevent the use of secondary legislation to alter the rate of VAT applied to the installation of energy-saving materials, the tax lock legislated for by this Government already achieves the same effect. Indeed, it goes further.

John Redwood (Wokingham) (Con): Will the Minister confirm that, now we are leaving the EU, we would have no intention of raising VAT to that rate? I hope that we will scrap it altogether.

Jane Ellison: As the Secretary of State for Exiting the EU said yesterday in his responses to the lengthy statement, those are all matters that will be looked at. He confirmed that he is indeed looking at it, as is the Treasury.

We feel that the tax lock goes further by preventing the use of secondary legislation to vary the scope of any reduced or zero rate. In effect, the new clause would serve no purpose except to duplicate existing legislation.

New clause 3 on the marriage allowance would place a legal requirement on the Government to carry out a review. Although I am sympathetic and have discussed the concerns of my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) and others who support the new clause, I hope to be able to show that such a report is unnecessary and to address some of these concerns.

Let me reiterate that the Government remain committed to recognising marriage in the tax system and to ensuring that the marriage allowance is delivered successfully. As hon. Members will be aware, take-up of this policy was initially lower than expected, but the Government have taken decisive action to change that. In spring this year, HMRC ran a successful marketing campaign to help raise awareness among eligible families, and the results were quite dramatic. Daily applications increased by a factor of seven between November 2015 and March 2016. Next month, HMRC will receive its 1 millionth successful marriage allowance application.

We are going even further. HMRC will launch a more ambitious campaign to raise awareness next month to help to continue the momentum. The Government have also assessed the distributional impact of the policy, which I know is a matter of interest to my hon. Friend the Member for Enfield, Southgate. We found that a quarter of those who will benefit are households with children, and most of the benefit from the marriage allowance will go to those in the bottom half of the income distribution scale. I understand that my hon. Friend will want to make more points about this issue in his contribution. I will seek to respond, briefly if I can, at the end.

My hon. Friend has also tabled new clause 2, which proposes a review of the impact of the rate of duty charged on sparkling cider of an alcohol strength exceeding 5.5%. The concerns that he raises—he has raised them before—are important, and the Government will continue to tackle alcohol problems as a driver of crime and support people to stay healthy, building on the alcohol strategy of 2012. The Government are aware that some ciders can be associated with alcohol harm and we have already taken action. Since 2010, for example, we have required drinks to contain a minimum of 35% apple or pear juice to be defined as cider, which is designed to increase the cost of the cheap white ciders.

From my previous role as a public health Minister, I am obviously aware of the concerns about alcohol harm. Further changes to alcohol policy would need sufficiently to target cheap drinks associated with these harms, without of course penalising responsible drinkers. The Treasury is always willing to consider any evidence about how these products should be taxed. Although I do not think a legislative requirement for a review is necessary, I look forward to hearing my hon. Friend’s contribution to the debate.

Amendments 180 to 182 deal with the Office of Tax Simplification. The amendments, tabled by the hon. Member for Ilford North (Wes Streeting), would require appointments to or dismissals from the position of the OTS chair to be subject to the consent of the Treasury Select Committee. The OTS provides the Chancellor with independent advice on simplifying the tax system. As I alluded to in the last part of the previous debate, to ensure that the OTS continues its important work, the Government are putting it on a permanent statutory footing and increasing its powers. I am grateful to my right hon. Friend the Member for Chichester (Mr Tyrie), the hon. Member for Ilford North, whom I see in his place, and other members of the Treasury Select Committee for their commitment to safeguarding the independence of bodies within government and to increasing their transparency. The Government’s view is that there is a balance between ensuring that there is robust scrutiny and doing so in a way that is proportionate to the function of the OTS.

Having considered the representations of my right hon. Friend the Member for Chichester and the hon. Member for Ilford North, the Government will ensure that the Treasury Committee is able to hold hearings with future OTS chair candidates before their appointments are formalised, and to put appointments to a vote in the House. We believe that those arrangements should be a permanent method of appointment of future OTS chairs. I do not think there is any justification for going further and legislating for a power of veto, which is what the amendments would do. I hope that members of the Treasury Committee will welcome the arrangements that I have outlined, and I invite them not to press their amendments.

2.30 pm

Mr Andrew Tyrie (Chichester) (Con): I am grateful to the Minister for what she has said about the proposals. I am pleased that it has been possible to work out a
compromise which I think is very reasonable all round, and which builds on the arrangements made by the former Chancellor for the appointments of the chairman and chief executive of the Financial Conduct Authority earlier in the year. I see no reason why this should not form the basis for a permanent arrangement to ensure that we get the best possible candidate into the OTS, supported by Parliament, in future years.

Jane Ellison: I thank the Chairman of the Treasury Committee for his indication of support for these arrangements. As he says, we have set out a procedure for the future. I have written to him, and the Chancellor will write to him as well, to confirm that for the record.

New clause 8, tabled by members of the Scottish National party, would require the Government to review the way in which the changes in dividend tax will affect directors of microbusinesses. First, we feel that it would be impossible to deliver such a review, because information from the self-assessment process will not be available until 2018. Secondly and more fundamentally, the dividend tax changes cannot be viewed in isolation, as I pointed out in the previous debate. Small company directors will have benefited from various recent tax changes made by the Government, including cuts in corporation tax and business rates—with more to come into effect in the spring of 2017—and the introduction of the employment allowance, which has made a considerable difference to business people in my constituency to whom I have spoken and, I know, to those in other constituencies. We think that these matters must be looked at in the round, and we therefore do not feel that we can accept the new clause.

New clause 18 proposes another review, on the impact of section 24 of the summer Finance Act 2015 on affordable housing. Again, we feel that that is unnecessary. The changes made by section 24 are being implemented in a gradual and proportionate way. Only one in five landlords is expected to pay more tax, and we do not expect the changes to have a large impact on either house prices or rent levels owing to the small overall proportion of the housing market that is affected. It is worth noting that the Office for Budget Responsibility has endorsed that assessment.

I gather from my predecessors that the subject of new clause 6, which asks the Treasury to conduct “a review of the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service”, has arisen a number of times in the past, and I am afraid that I cannot add very much to the responses that SNP Members have heard before in the context of this and previous Finance Bills. The Treasury made it clear to the Scottish Government that the proposed changes would result in a loss of eligibility for VAT refunds. They chose to go ahead, which was their legitimate right, but there can be no expectation that we will review the issue, given that the consequences were clear beforehand.

Jonathan Edwards: If the United Kingdom opts for non-membership of the single market following Brexit, the UK Government—the Treasury—will be able to initiate all sorts of proposals relating to VAT, one of which may well be to devolve it to the devolved Administrations. The Scotland Act 2016 currently assigns responsibility for 50% of VAT receipts, but if the UK Government decided on the non-membership option, it would be possible to go further. Is the Treasury considering that?

Jane Ellison: As a number of Ministers have made clear in the House, we need to consider a huge range of issues as we proceed, but, as I have said, we are clear about the matter for the present. No doubt the hon. Gentleman will raise his point again during debates about our future outside the European Union.

New clause 16, tabled by Liberal Democrat Members, would require the Government to publish a review. I do not think that any Liberal Democrat Members are present, so I shall speak briefly before moving on swiftly to deal with new clauses and amendments tabled by members of other parties who are present.

The Government already undertake equality assessments of all new measures, which includes considering age as a protected characteristic. I am sure the whole House welcomes the fact that the Prime Minister has now launched an unprecedented audit of public services to reveal—among other things—racial disparities, and to look at the way in which public services serve people throughout the country. The Treasury will, of course, play its part in the audit, and no doubt some of these issues can be considered as part of that important exercise.

New clause 19 would require the Government to review the impact of measures in the Bill on different levels of income. In every Budget and autumn statement since 2010, the Treasury has published distributional analyses showing the impact of Government policy on the share of tax paid and spending received across household income distribution. Since 2010, the Government have published far more distributional analyses than their predecessors. As the Prime Minister has made clear on many occasions since taking office, we are determined to make Britain a country that works for everyone, and our policy choices and actions stand as proof of our commitment. The Government have received representations on this matter, not just from Opposition Members but from my right hon. Friend the Member for Chichester, on behalf of his Committee. We will consider the appropriate format of documents to be published at future fiscal events at a time closer to the date of the autumn statement.

Kirsty Blackman: When does the Minister think the autumn statement will be delivered?

Jane Ellison: The Chancellor will make that clear in due course.

Mr Tyrie: As the Minister knows, the issue of distributional analysis is of great importance to the Committee. The previous Chancellor accepted it in 2010, but resiled from it in 2015, to the Committee’s considerable concern. On the understanding that the Chancellor really is considering reinstating the arrangements that had been in operation for the preceding five years, I would not be minded to vote for new clause 19. Am I to understand from what the Minister has said that a serious reconsideration is taking place, and that she or the Chancellor will return to the House in due course to inform us of their conclusions?
Jane Ellison: Treasury Ministers and the Chancellor take points made by my right hon. Friend and his Committee members very seriously. As I said earlier and as has been confirmed in an exchange of letters between my right hon. Friend and the Chancellor, we will consider the issue at future fiscal events closer to the date of the autumn statement. I may be able to write to my right hon. Friend with further information, but that is what I am able to say at the moment.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I thank the Minister for giving way. She is being most generous.

Yesterday, in an intervention on the speech of one of the Minister’s colleagues, I asked when we were likely to expect the very important autumn statement. The response was “some time in November, maybe December.” Can the Minister confirm that that is indeed the case?

Jane Ellison: As I have said, the date will be confirmed in due course, but I think it reasonable to assume that the window of opportunity to which the hon. Gentleman has referred is broadly correct.

I shall speak briefly—as, again, there is no Liberal Democrat presence in the Chamber—about amendment 179, which deals with the apprenticeship levy. This would exclude qualifying bonus payments to employees of employee-owned businesses from being considered as part of the employer’s pay bill when calculating the levy. To ensure the levy is as simple and fair as possible, the Government have decided to use the existing definition of earnings—those used for employers national insurance contributions. This avoids unnecessary complication. This point about avoiding complication was made repeatedly to us during the consultation. We feel the amendment would add complication and therefore we urge the House to reject it.

Lastly, Labour amendment 141 on employee share schemes proposes a tax exemption for residual cash amounts remaining in share incentive plans when they are donated to charity. While we appreciate the proposal is made with the best of intentions, we are concerned the change would, again, add complexity and the amendment lacks detail. We would need further development and evidence of this idea before giving it further consideration.

I will end there, but I may look to respond briefly at the end if there are any further points I can add that would assist the House. I look forward to the debate.

Rob Marris: I am disappointed by the Minister’s concluding remarks on amendment 141, which is in my name and those of my hon. Friends. She says the amendment lacks detail. We are talking about simplification today and I will go on to address the House on that issue, but this amendment covers more than an A4 page, so there is quite a lot of it. It might be the wrong detail—I freely accept that I am not an accountant—but I cannot get my head around the concept that it lacks detail. So I am disappointed and urge her to reconsider.

I am pleased at the movement from the Government on amendment 180. It will not surprise SNP Members to know that I wanted to touch briefly on the Minister did, on new clause 6. Frankly, they have made their bed and they should lie in it. They were warned that this would be the financial effect, and having an inquiry into the financial effect of something they knew was going to happen and has happened—it may be an adverse financial effect—is what you get with devolution; you make your decisions and you live with them. They should not be looking indirectly through this mechanism for yet another bung from the English taxpayer when they are already getting shed loads of money under the Barnett formula. I support the Barnett formula and the Union, but sometimes people can push their luck a bit and I think that is what is happening here since they knew in advance what would happen.

I want to make some brief remarks on the question of evidence-based decision making and the difficulties we have in that regard as policymakers and legislators in this House. That applies particularly to financial matters. Although the House of Lords scrutinises Finance Bills, it does not vote upon them for good historical reasons. It cannot, therefore, amend the Finance Bill and we have to get it right here.

Oppositions cannot table amendments to put up taxes and it has become commonplace in recent years to table amendments to express concern and call for a review. That has been the mechanism used by those who take issue with a particular course of action, or lack of a course of action rather than moving amendments to abolish something, as the Liberal Democrats extraordinarily did yesterday with their amendment to abolish corporation tax, which, as the Minister said, would cost £43 billion a year. In this group, new clauses 3, 6, 8, 16, 17, 18 and 19 all call for a review, as did new clause 14 and amendment 176 which were debated previously. It is the flavour of the day.

This highlights a problem that the Minister addressed in her concluding remarks in the previous debate. We have at the moment an economy with extraordinarily good unemployment figures, and I praise the Government for that. That figure has come down, and we have had 2.5 million more jobs in the past six years. That is great, but it has been bought on a sea of debt, with the deficit going up 60% under a Government who said that they were imposing austerity in order to bring public finances under control. They are still not under control.

2.45 pm

We have a mounting deficit. We have crumbling infrastructure and services, where we are storing up problems for the future. Prosaically, if we drive around lots of towns in England—I do not know about Scotland, Wales and Northern Ireland, but I suspect the situation may be the same—we see crumbling roads because local authorities are cutting back on filling in potholes. That is a short-term saving but it leads to longer term costs. It is an example of what is happening throughout the economy. We have also had six years of stagnating and falling wages. However, the interactions between the Government’s economic measures that have led to the negatives—I have delineated only some of them—and the positive of employment being up by 2.5 million are unclear to many of us, and I think are unclear to economists.

The Minister referred in the earlier debate to a package of measures, and she quite properly mentioned the interaction of different measures. These things make it difficult when one is considering economic policy. On the disaggregation of various measures, it is difficult to know whether one measure or package of measures or
what cocktail of measures is effective or ineffective. The Minister said that the Government review tax breaks and tax reliefs all the time and that all policies are under review. That is good. What we are saying in some of these amendments and new clauses, and have been saying repeatedly in opposition, is: “Make that public”.

I also repeat to the Minister something I said yesterday. There is a question mark as to how much of some of these measures and policies are kept under review. The question mark comes from the National Audit Office in a report of about two years ago, which, in round terms, said that there are five different types of measures which could broadly be called tax relief, and it delineated them. It then said that it could count about 1,200 such tax reliefs and that it could find evidence that only about 300 of them were being monitored by the Government for efficacy.

The Minister may well believe and be told that these reviews are going on all the time—there are some reviews and she has referred to several of them today. However, I have to tell her from a somewhat, but not very, different angle that that is not what the NAO found two years ago. I urge her to go back to Her Majesty’s Revenue and Customs and the Treasury and find out what is going on with this.

Sadly, in the Labour leadership campaign we have seen from various commentators the emergence of the post-factual world. I am in favour of evidence-based policy making. That does not mean we reach a cosy consensus, which is sometimes what those who are post-factual think is what we inevitably end up with. I will give the House a simple example. If a suburban road has a 30 mph speed limit and a survey finds that 60% of cars are going above 40 mph, the policy that one could make as a result of that could vary between putting in speed humps, putting in chicanes, using radar guns or even raising the speed limit to 40 mph. Those are the policy implications that we as politicians from our differing perspectives might draw from such a common set of facts. Trying as much as one can—it is not always possible—to have a common set of facts is important for evidence-based policy making, and I do not think that the Government, as legislators, have enough information. Therefore, we cannot be sure that the measures we pass in this House have any likelihood of doing what they are intended to do.

Earlier today I gave the example of tax relief on pension contributions; perhaps the worst example is £30 billion a year spent trying to do something when there is no evidence that it does what we want it to do. It might be that from that fact—I take it as a fact because the House of Commons Library cannot find any real evidence that behaviour is changed by that massive tax relief—one could draw different conclusions. One could say one must try harder to advertise it, and we should be doing it anyway because it is a good thing. At the other end of the spectrum, one could say it should be abolished entirely, and in the middle one could say, “Well, we should tinker round the edges and get tax relief at the higher rate—the 40% rate—down.” But we should try to start with a common basis, even though we will not always be able to do so, and many of the new clauses and amendments are seeking to flush out that information. That is a step towards the situation I wish to see—it is adverted to in amendment 180, which refers to the Office of Tax Simplification—in which we as a society and as a legislature look seriously at tax simplification.

The right hon. Member for Cities of London and Westminster (Mark Field) referred to this earlier today. He also referred to it yesterday in the context of corporation tax, and asked whether we ought to consider substituting that tax with a turnover tax, given all the avoidance that goes on. Depending on how it were done, that could be simpler. I agree with him that we ought to have that debate. My hon. Friend the Member for Feltham and Heston (Seema Malhotra) also made an excellent speech earlier today on evidence-based policy and getting the relevant information.

This ties in to the question of simplification because we need the evidence to achieve that. For example, many of the small business tax reliefs generally sound very good, and they might indeed be good; I do not know, because we do not have the evidence. I have been in small and medium-sized businesses, and in my experience those who make the decisions are often unaware of that part of the tax regime until they come to speak to their accountant at the end of the year. So the tax relief has not in fact altered the behaviour of that business during that first year, although it might do so in years two and three. My experience of being in and interacting with small businesses, although not huge, tells me that they are often too busy trying to run their business to say, “There is a tax relief for this and a way of doing that, and we were going to do this in sales but now we are going to do that instead.” They are too busy pursuing the goals that they have set themselves to be bothered about that, so let us have some simplification.

Many Members, although not all, talk about tax simplification. When the former Chancellor of the Exchequer, the right hon. Member for Tatton (Mr Osborne), was in opposition and my party was in government, I remember hearing him speak in Finance Bill Committees—six of which I served on—and repeatedly referring to the tax code. He was the first to use that Americanisation, as I remember. This was seven or eight years ago, and he said that according to Tolley’s tax guide, as it then was, the tax code ran to about 1,000 pages. At the latest count, it is about 1,500 pages. We have had no simplification; we have gone the other way.

One of the reasons for that is that Governments have understandably not had the guts to say, “If you have simplification, it will lead on occasion to things being rough and ready and you will lose the nuances.” As a lawyer, I can say that on occasions that is right. We see this most graphically in the area in which I practise, that of employment tribunals. When they were introduced as industrial tribunals decades ago, they were supposed to be the people’s access to justice. They were supposed to be simple, rough and ready, but what did we get? We got layers of complexity and precedents.

Additionally, we now see the awful situation of people being unable to afford to go to a tribunal since the Government brought in fees. The court fees introduced by the last Government for a full employment tribunal hearing can amount to £2,000. Also, the complexity now means that people need legal representation, but they cannot get legal aid. The juries are very, very confused—certainly in England and Wales; I do not know about Scotland—they cannot get a so-called no win, no fee agreement. So access to justice is reduced because of the complexity.
It is very difficult for a lay person in England and Wales to access an employment tribunal without access to specialist legal advice, which generally costs money because of the legal aid regime.

One solution would be to make legal aid available for employment tribunals. Another would be to make the tribunals less complex, but that would lead to rough and ready justice. The same would apply to the tax measures in this country. I urge the Government to consider monitoring and getting evidence on the 1,200 or so tax reliefs and on the distributional analysis to which some of the new clauses refer. I also urge them to take the bull by the horns and have the guts—I salute them for having had the guts to take measures on tax avoidance—to go for a simplification that would help business, even if it occasionally resulted in a somewhat rough and ready system.

Kirsty Blackman: In the absence of the Government showing any willingness to take the bull by the horns on tax simplification, how can we get them to put with the information that they say they have on the continual review on tax reliefs? I have not been an MP for very long, but it strikes me that there is a failure in the system if we are not seeing the transparency that we need. If the Government are actually doing these reviews but not providing their working to the Committees or to Opposition MPs, that strikes me as a failure in the system. How can we get them to part with that information?

Rob Marris: I quite agree with the hon. Lady. Sadly, I am unlikely ever to be a Minister, but I am hoping that the Minister will stand up this afternoon and say, “The hon. Member for Aberdeen North has made a jolly good point.” She has said that the Government keep all policies under review all the time, so let us have the transparency. I salute what the Government did for transparency yesterday in accepting amendment 145, tabled by my right hon. Friend the Member for Don Valley (Caroline Flint). I urge them to go that bit further today by publishing the evidence that they have and by marshalling more evidence and disclosing it. They must have the courage to seriously go for simplification, which would be better for business and employment in this country, even though there would be a cost to be borne by society in the form of less nuanced decision making and systems becoming more monochromatic and rough and ready. Some of that would of course rebound on Members of the House, because we would get constituents writing to us saying, “I have a particularly nuanced situation here, and you guys have made all these laws that are a bit monochromatic and do not help me.” We have to have the guts to say that that is a price worth paying, and as legislators we should be prepared to do so.

John Redwood: I had hoped to clear up my point in an earlier intervention on the Minister, but I fear that I was not happy with her answer so I shall try again and extend my case a little on the important matter of VAT on energy-saving materials. That is the principal issue at stake in new clause 15. As I was trying to explain to the Minister, many of us feel that it would be quite wrong to increase VAT on energy-saving materials, given that the House had decided to choose the lowest rate that we are allowed to impose under European Union law. A case was then lost in the European Court, and the Government have wisely been undertaking a very long consultation into how they might implement this ill-conceived and unwanted judgment. The longer they consider it, the better, and the sooner we get out of the European Union, the sooner we can bring the whole charade to a happy end.

To many of us, this illustrates exactly what was wrong with our membership of the European Union, and this is something that we can offer to our constituents as we come out. They voted to leave and to take back control of their laws. That includes their laws over taxes. During the campaign, we on the leave side made a great deal of how we wanted to scrap VAT on energy-saving materials. Like many people in this House, we believe that we could do much more to save and conserve energy and to raise fuel efficiency, and if we did not tax those materials, perhaps they would be a bit cheaper for people. That would send a clear message that this was something that we believed in.

I urge the Minister to go as far as she can in saying that this Government have absolutely no wish to put up VAT on energy-saving materials, and that they would not do so if they were completely free to make their own tax decisions. I would love her to go a bit further—this might be asking quite a lot—and say that once we are free of the European Union requirements, we will be scrapping VAT on energy-saving materials altogether. It is not a huge money-spinner for the Government, and its abolition would send a very good message. It would particularly help people struggling in fuel poverty, who find energy-saving materials expensive. The extra VAT on them is far from helpful.

The Minister suggested to me that the Brexit Secretary was dealing with this matter, but I can assure her that he is not. He made a clear statement on these matters in the House yesterday and wisely told us—I repeat this for the benefit of those who did not hear him—that it is his role to advise and work with the Prime Minister to get our powers back. His job is to ensure that this House and all of us can once again settle the United Kingdom’s taxes without having to accept the European Union’s judgments and overrides. However, it will be for Treasury Ministers and the wider Cabinet to recommend how we use those wider and new powers and to bring to the House their proposals once they are free to do so.

3 pm

I hope that we trigger article 50 as soon as possible. This is another reason why we should not rush to impose higher, crippling taxes on energy saving, because it is something we want to encourage. It is another incentive for us to get on with actually leaving the Union. A bigger cash incentive that is relevant to Budget matters in this Finance Bill is that we would soon be able to get back the £10 billion a year. Remember that every month we delay getting out of the European Union we have to raise another £850 million through a Finance Bill such as this to send away and not get back. I urge the Minister to take the matter seriously and to say that this Government have absolutely no intention of increasing VAT on energy-saving materials unless they are legally forced to do so. Will she confirm my view that the sooner we are out, the sooner we can have a rational policy on this most important matter?

Wes Streeting (Ilford North) (Lab): I rise to address amendments 180 to 182 and new clause 19, tabled in my name and those of my hon. and right hon. Friends. As a...
relatively new Member, I want to place on the record my enormous thanks to the staff of the Public Bill Office, who over the course of the summer assisted in the production of not only these amendments, but more than 30 amendments to the Higher Education and Research Bill. I have been busy, but I have been keeping them busy. As a new Member, I have perhaps been slightly more demanding, so I am grateful for their time and support.

As the Minister acknowledged in her opening remarks, amendments 180 to 182 arose from concerns reflected right across the Treasury Committee about the nature of appointments to the most senior offices and the dismissal of post holders. The Office of Tax Simplification has an important public duty. Many of us want the tax code to be simplified, but we know that constraints are inevitable because the tax system is as complicated as life and will therefore always have a degree of complexity. However, we also know—particularly those of us with a large number of small and medium-sized businesses in our constituencies—that the more complicated the tax code, the more complicated it is for businesses to understand what it is they should and should not be paying. Companies with the means to get a great deal of expensive advice on how to make enormous savings are at a great advantage.

During the course of yesterday’s Finance Bill debate, my right hon. Friend the Member for Don Valley (Caroline Flint) spoke about the widespread practice of aggressive tax avoidance by multinational corporations. If the tax code were simpler and clearer, that sort of aggressive avoidance would be harder. That is why there is such parliamentary interest in the work of the OTS and a determination to ensure that Government appointments to the most senior posts have an appropriate degree of parliamentary oversight—primarily, but not exclusively, through the Treasury Committee.

I welcome the Minister’s constructive approach and the agreement she made with the Chair of the Treasury Committee, the right hon. Member for Chichester (Mr Tyrie), who does a sterling job of batting for all members of the Committee and on behalf of both sides of the House. This is a good example of how the Government and the Select Committee system can work together effectively to reach the right outcome. I do not intend to press amendments 180 to 182 to a vote this afternoon, because we have received sufficient assurances from the Minister and I look forward to that process continuing under successive Governments.

Turning to new clause 19, even newer Members of the House are familiar with the regular display and theatre of the Budget. In this modern age, there is an inevitable degree of briefing, counter-briefing and misleading in the run-up to the event in order to misdirect the Opposition and to enable the Government to be fleet of foot on the day and to save the best headlines for the Budget. On the day itself, we have the routine announcements about the business that needs to be conducted in any Budget and then, of course, we get the inevitable rabbit out of the hat. Once the smoke has cleared and the mirrors have been packed away, the real analysis begins of the consequences of each Budget item for the people whom we are sent here to represent. Even members of Select Committees or Bill Committees, who follow the scrutiny of Bills closely, know that trying to penetrate the real impact of a Finance Bill or any fiscal event is a significant challenge.

I must say that that challenge has been made more difficult by the decision of the previous Chancellor, the right hon. Member for Tatton (Mr Osborne), to move away from his commendable practice of publishing alongside the Budget the distributional analysis of the impact of tax, welfare and public spending changes. The first question that all hon. Members face when presented with a Budget is about the impact on our constituents. Those of us who are committed to social justice are more interested in the impact on the poorer household than the wealthier household. In fact, the right hon. Member for Tatton described the analysis as the “most comprehensive and robust assessment available”.

That is why it was so disappointing that he decided to abandon that practice following the general election. The move was condemned at the time by a wide range of anti-poverty charities as a serious mistake. We could spend a lot of time debating why the previous Chancellor chose to abandon that practice at that particular moment, and we could have our usual exchanges about the priorities of Conservative Governments and Labour Governments, but with the appointment of a new Prime Minister and a new Chancellor I hope that we can instead debate the merits of the principle which we believe any Government, whatever their priorities and political shade, should follow.

The Chair of the Treasury Committee wrote to the Chancellor to express concern that at last year’s summer Budget the Treasury “replaced its previously excellent budget distributional analysis series with a manifestly deficient substitute.” Since her elevation, the Prime Minister has made great fanfare of the commitment she made outside No. 10 Downing Street to lead a Government who work “not for a privileged few, but for every one of us.” I would dearly love to have a debate with the Government about the means by which we achieve social justice and about whether it is a good thing in and of itself, but I certainly agree with the Chairman of the Treasury Committee that a “high level of transparency about the effects of tax and welfare policy on households across the income distribution would seem to be a logical, perhaps essential starting point.” That is what motivated the tabling of new clause 19.

It is important that all Governments are clear and transparent about a Budget’s effects to enable proper parliamentary and public scrutiny of decisions—as happens in the Chamber, in Select Committees and in conversations around kitchen tables up and down the country. Knowing that the analysis is being produced and seeing it form as the Budget is prepared helps to concentrate the minds of Ministers and civil servants. It asks the question and gives the Chancellor, before he or she stands at the Dispatch Box to announce their Budget, an opportunity to reflect on the Budget in its entirety.

Successive Governments and Chancellors have once or twice fallen foul of public opinion by realising that the Budget as a whole is not necessarily as great as they thought it was when each part was being considered. Having the analysis in place as the Budget is prepared will not only aid public and parliamentary scrutiny, but enable Ministers to make the right judgment about how Budgets should be balanced. The Opposition believe, particularly when difficult judgments are to be made
about tax and welfare changes and public spending, that the books should never be balanced on the backs of the poorest. I hope that we can find agreement in that area with the new Chancellor and Prime Minister, particularly given her stated aims, but whoever occupies the highest offices of this land, we can surely agree that parliamentary scrutiny is vital.

We should also agree that, as the Treasury has the evidence to hand and we are not asking it to do additional work—the analysis already exists—simply requesting that it be put in the public domain is not too much to ask. I welcome the fact that this afternoon the Minister has left the door open and says that this area will be considered by Ministers. On that basis, I accept that Ministers, the Chancellor and the Treasury will consider it. I assure the Minister and the Chancellor that we will return to this issue, through the Select Committee and at future fiscal events, if a change is not made. On the basis that the Government have an open mind and open ears on this issue, I am prepared not to press new clause 19 to a vote.

Mr David Burrowes (Enfield, Southgate) (Con): It is a pleasure to take part in this stage of our consideration of the Finance Bill. I was interested to hear the carefully constructed arguments of the hon. Member for Ilford North (Wes Streeting). Let me pick up on the point he made about wanting to see social justice from this and future Budgets, and to see it at the heart of the Government’s agenda, as was made clear on the steps of No. 10 by the new Prime Minister. He also talked about the impact on the poorest households, which is the focus of new clauses 2 and 3 and the reviews that they propose. As ever, it was also interesting to hear from the hon. Member for Wolverhampton South West (Rob Marris), and to listen to his thesis on post-factual analysis, be it on the Labour leadership contest or on this Bill. He mentioned roads, so perhaps he should come down to Enfield and give us a post-factual analysis of the cycle lanes that are planned in my borough to see whether we should continue with that expensive proposal, given the need for best value.

Let me return to the matters at hand. First, I wish to speak to new clause 2, which stands in my name and those of my hon. Friends the Members for Congleton (Fiona Bruce) and for Totnes (Dr Wollaston). Sadly, the latter cannot be here as she is leading her Health Committee on a visit, although she would want to be here to support this new clause. I hope and expect that across the House there is support for the principles of wanting to carry out a proper review of the impact of the duty regime, particularly in relation to high-strength cider, although I very much welcome the Minister’s comments. She will know all too clearly from her previous role in public health of the impact of alcohol and high-strength alcohol in particular, including cider, on the poorest and those most in need of our attention. I welcome the hint that a wider, more coherent view of the relationship between alcohol duties and harm could be taken, which was mooted by the previous Prime Minister but seemed to get kicked into the long grass—it has never returned. The Minister will be well aware of the permutations and the different interests across Government in relation to that review and its final outcome. The previous Prime Minister was talking about minimum alcohol pricing in terms of when not if, but this has now gone back to an if. I look forward in future Budgets and future consideration to a wider review and factual analysis of the relationships to harm and the impact on behaviour, particularly among the poorest.

New clause 2 hones in on an area that is about not just health harms, although that is the core of the argument, but an anomaly in our treatment of cider and of beer.

Rob Marris: I was a “remainer”, so at the risk of sounding like the right hon. Member for Wokingham (John Redwood), may I ask the hon. Gentleman whether he agrees that this is one area where, as a small silver lining, leaving the European Union may assist, because the rates of excise duties, the definitions and so on are related to our membership of the EU? For example, I am thinking of the way in which wine is treated, because of the Italian, Spanish and French wine industries. If and when we leave the EU, we will have more flexibility in this regard.

3.15 pm

Mr Burrowes: I welcome reluctant converts to the cause of Brexit, whenever they come. That is a silver lining among many. I see this very much as sunshine, rather than silver linings. At the heart of it all, this is about our taking back control over a duty that has an impact on the most vulnerable, and we have already had arguments about VAT. I look forward to hearing the Scottish Members’ support for the same silver lining, because they have been battling to ensure that their proposal for minimum unit pricing is not subject to court and European Court interference. They, too, would perhaps welcome that silver lining; I look forward to their joining the hon. Gentleman in what he has just said.

As much as anything else, new clause 2 is about dealing with an anomaly to do with high-strength ciders. In the recess, hon. Members may have enjoyed ciders of all varieties. They may have popped their corks and had some sparkling cider, which is a substitute, perhaps a poor one, for champagne. They need have no fear about this, because the essence of my proposed review is very much about the nasty stuff. I doubt many hon. Members will have partaken in it, although they may have done. I am talking about people going down to their local office licence to get a large bottle or can of white cider, which is not particularly sparkling or pleasant. However, it attracts under-age drinkers and, in particular, dependent drinkers—

Rob Marris: It has never seen an apple!

Mr Burrowes: It has never seen an apple. The Minister intimated that the same is true of pears. We need to look at the fact that white cider attracts the lowest duty per unit of alcohol of any product while representing the cheapest way to consume alcohol and get drunk, and to enable addicts to continue their dependency. Three-litre bottles of high-strength ciders are available for just £3.50; people can get completely wasted on some mainstream ciders for that. As a result, these products are causing disproportionate levels of harm, which is closely associated with dependent, street and under-age drinking. The Government are rightly emphasising and
prioritising tackling street homelessness and putting funds into preventing homelessness. My hon. Friend the Member for Harrow East (Bob Blackman) has introduced the very helpful Homelessness Reduction Bill. We hope that, with cross-party support, he will be navigating its safe passage through this House on 28 October and all hon. Friends will attend to that.

Let me make a wider point about future Budgets, as connected to that is the need to examine the impact of duty and the evidence that price has a particular impact on behaviour.

Mr Stewart Jackson (Peterborough) (Con): My hon. Friend pre-empts the point I wished to make, and is making a typically eloquent speech. For too long, under all Governments and under generally liberal regimes, whether we are talking about salt, sugar, alcohol or fixed-odds betting terminals, there has not been a holistic approach from the Treasury that looks at the indicative costs to society. I am talking in terms of health services, social services and so on. I do not think any Government have got that right over the years: there is a cost if we do not get the fiscal policy right in trying to change behaviour across all these areas.

Mr Burrowes: That is a welcome intervention. I welcome the Minister to her place, as she has wide experience in this area. I understand that she was the longest-serving Conservative public health Minister. She can bring that experience to bear, not least because she has added responsibilities, given the make-up of the limited number of Ministers on the Treasury Bench, to cover those aspects of what some might call sin taxes and to create a better overall review. That can be linked up with what we look forward to receiving from the Government: the long-awaited life chances strategy. Be it on the social justice strategy, social reform strategy or life chances justice strategy, we must ensure that we focus on the poorest.

Those supporting such a review and such a measure are indeed those responsible retailers and manufacturers, as well as the health sector—those who see the impacts of liver disease and the changes brought about by lack of accessibility to and an increased price for such products. In addition, alcohol treatment charities, various parts of the drinks industry and dependent drinkers themselves have also made the point that they recognise the impact of having an increased price.

It is indeed time for the Government to provide additional reassurance that there will be a honed focus on the issue in future Budgets, as well as a wider review of the impact of high-strength alcohol, particularly with respect to cider duty and targeting on white cider sales. As the Minister said, we must always be proportionate in the way we handle duties and ensure that people are not unduly impacted when they either buy or go out for a cider, but these measures would not impact on most mainstream ciders of between 4% and 5% ABV.

On the issue of simplification, which was alluded to earlier, these measures would bring such products into line with the treatment of beer. Since 2011, there have been three tiers of beer duty, with low rates on low-strength beers and high rates on high-strength beers, so why do not the Government, to achieve simplicity, clarity and coherence, make similar provision in relation to ciders, particularly because of the impact of high-strength ciders on the poorest?

The Government have rightly put social justice at the heart of all they do, and that must include this area, where the spotlight of social justice must also shine in preventing harmful drinking. I look forward to the Minister perhaps adding a few words of support for a targeted increase in the price of high-strength cider, or
at least agreeing to look at the issue again seriously in time for the next Budget so as to help the vulnerable and end the anomaly to which I have referred. That would recognise these proposals as part of a wider review of the important issue of alcohol duties and their relationship to harm.

Another issue has been of interest during previous debates on Finance Bills, and I wish to bring a strong focus to bear on it by speaking to new clause 3, which stands in my name and the names of 15 of my right hon. and hon. Friends. Indeed, others have indicated to me their support for a review of the marriage and civil partnerships transferable tax allowance. I want to comment particularly on low-income households, especially couples with young children. It would be very progressive if the Government were to focus on achieving more take-up—I welcome the Minister’s comments on that—and arriving at a more significant amount, which would disproportionately impact on lower-income households.

I welcome the introduction of the transferable allowance for married people and civil partners last April, so, unlike in previous debates, I will not, along with my hon. Friends, be imploring the Government to establish such an allowance in the tax system. We have that. That battle has been won and that promise has been kept. There is that recognition of marriage in the tax system, and it is evidence-based: the institution of marriage is valuable as it helps individuals to build social resilience, improves mental wellbeing and aids healthy relationships, particularly with children. I shall not dwell on that past battle because, as the Minister said at the Dispatch Box, she also, on behalf of the Government, is wholly committed to that transferable allowance. It is here to stay under this Government, which is wholly welcome and I very much appreciate it. If any other hands got on the tiller, I am sure that it could be under threat.

However, we must not sit back and be content. The bauble is there and we have recognised marriage, but we need to look, as we do across Government, at how that measure will impact on poorer households. Indeed, we need to consider incentives, including financial incentives, and disincentives around different couple relationships and penalties that still exist. I believe that we must prevent marriage, with its particular social benefits, which have been evidenced, from becoming the preserve of the more wealthy.

I am sure that Members from across the House will join me in not being content with the fractured society that is based around relationships breaking down. We must do all we can to support couples to stay together, particularly those with children, and consider the impact on children when couples do not stay together. Evidence states very clearly that the children of married couples, who have grown up with them, are better served by the fact that the couple stay together.

I recognise that there are different incentives and this is not all about the tax allowance. A range of support can be given to keep couples together, although that is perhaps the subject of another debate for another time. However, we can play our part through fiscal incentives. I recall a recent speech from the former Chief Rabbi, Lord Sacks, who spoke about an issue that we often discuss. We pray in aid the fact that we are a party of one nation and that we want to build a country of one nation. Interestingly, Lord Sacks referred to the fact that there is a growing phenomenon of two nations, which he saw in terms of a failure to support marriage creating two nations with two very different sets of life chances. As the Government build on their strategy, we should not ignore this issue, and immediately the life chances strategy is published I shall be doing research on the word “marriage” and how much we are supporting marriage.

It is important to heed the words of Lord Sacks. He said:

“In Britain today more than a million children will grow up with no contact whatsoever with their fathers. This is creating a divide within societies the like of which has not been seen since Disraeli spoke of ‘two nations’ a century and a half ago. Those who are privileged to grow up in stable loving association with the two people who brought them into being will, on average, be healthier physically and emotionally. They will do better at school and at work. They will have more successful relationships, be happier and live longer.”

We should not allow that to be the preserve of one part of the nation. We can play our part fiscally to ensure that we are not divided and that many gain the opportunities derived from couples being together.

3.30 pm

I want to focus on how we can get more out of the money that the Government have earmarked for the allowance. There was a low take-up, as the Minister mentioned in her opening remarks, but following a good marketing campaign take-up has increased and the millionth application for the allowance will shortly be made. I am sure that basic rate taxpayers watching this debate will want to apply for it if they have not already done so. I am pleased about that, but there has been a huge underspend in the Government’s original budget for the transferable allowance, which essentially allocated £495 million to support marriage in the tax system. This is a partial allowance from earlier iterations and there is less transferability, but it is still a significant sum.

There is, however, a gap. The funding that was initially allocated was not taken up. Even if, as the Minister announced today, the millionth couple are about to take up that allowance, that would account for about £210 million, if those couples all keep taking that payment. That is considerably less than half the amount originally allocated for the policy. Given that we are in challenging financial times, how can we get more out of this principled £500 million commitment from the Government? How can we ensure take-up by those who most need it? Can the Government increase the current level of just over £4 a week, and what should the level be?

Like the hon. Member for Ilford North, I am thinking of the Prime Minister’s words on the steps of No.10, when she said:

“When it comes to taxes, we’ll prioritise not the wealthy, but you.”

We should focus on ordinary working-class families, not only on those who are not taking up the allowance, and on greater incentives for those who are. We need to reduce the financial inaccessibility of marriage for many. I encourage hon. Members to look at new clause 3. It is mindful of current financial constraints and aims to
make better use of the money allocated, targeting it at married couples and civil partners who need that additional support.

A campaign that has been run for many years by CARE and the Centre for Social Justice focuses on married families with children under five. It is those families in particular that the allowance would help. Reports such as “The 1001 Critical Days” have focused on the crucial early days and years. The allowance would promote stability and support child development when it is most needed.

The allowance is a progressive form of tax. Immediately after the Budget, people often ask what the Institute for Fiscal Studies thinks of it. What does the IFS think of the transferable allowance and my new clause? Back in 2010, the IFS made the point that 75% of the benefit from increasing the personal allowance went to the top half of the income distribution band. Raising the personal allowance to £12,500 will place upward pressure on the 75% figure, resulting in an even greater proportion going to the top half of the income distribution band.

I welcome the personal allowance and the commitment to it. That is a wholly good measure, but other forms of allowance such as the transferable allowance should not be seen as a mere bauble. It should be seen in its proper context as progressive and as helping low-income households. The IFS has said that in contrast to the personal allowance, 70% of the benefit of the transferable allowance goes to those in the lower half of the income distribution bands. That is a socially just approach to dealing with allowances. The Government are encouraged to look at that carefully.

I asked the IFS whether it still agreed with the 2010 interpretation of the figures in its analysis. The analysis shows that the beauty of the transferable allowance is that whatever its transferability—whether the small transferability at present, the greater transferability that I encourage the Government to pursue, or indeed 100% transferability—it would help stay-at-home families who are impacted by the present tax burden, particularly the high marginal tax rate. The IFS says that it will continue to result in approximately 70% of the money secured for the transferable allowance going to those in the lower half of the income distribution band. That has to be borne in mind.

I encourage the Government to look at the marriage tax allowance in isolation as simply a commitment that we have delivered. It needs to be seen in a wider context as part of an international tax comparison. CARE showed that the UK tax burden placed on a one-earner married couple with two children on an average wage is 25% greater than the average across the OECD. By looking at that broader context we can see that we need to support the transferable allowance. The previous Prime Minister thought it was a staging post and that we should increase it. I think we should increase it in terms of money and the percentage of transferability. If we cannot go that far immediately, let us focus on those who would particularly benefit and feel the impact—couples with young children.

Kirsty Blackman: On that point, and particularly on the point about whether parents choose to stay at home or to work, despite the measure that has been put in, I support anything that allows parents to have a choice, or more of a choice, over whether they stay at home to look after their children or put them in childcare. However, we still have a massive problem with families not being able to make those choices, because childcare is not affordable for them, particularly for those caring for under-fives. Parents are still forced into being stay-at-home parents or taking low-wage jobs at strange hours because of the lack of affordable childcare. Does the hon. Gentleman support measures to change the childcare regime as well as the tax regime relating to this issue?

Mr Burrowes: The hon. Lady tempts me into a wider debate. If the Minister were to respond on this, she would certainly point to the measures on childcare. When one looks at supporting couples with young children, there are other things the Government have been very much involved in to improve the offer. There is work to do on access and affordability, not least, in my constituency, in relation to poor households accessing childcare.

I appreciate the fact that the hon. Lady talked about choice. There is also an issue about choice in that the Government are rightly encouraging as many people as possible to work and to exercise that choice, but it is sometimes an invidious choice for those who would want to stay at home, and the fiscal incentive to do that is not currently there.

There is a huge impact generally across the tax system on single-earner couples, which is not getting sufficient attention, and this proposal for the transferable allowance addresses that. There are lots of other measures across the tax and benefits system that seek to focus support on children, but we must particularly support the benefits of this allowance, which is around couples, marriage and the commitment to marriage and civil partnership.

In conclusion, following the cause of new clause 3 can be a win-win situation for the Government. It not only, obviously, recognises what we do already on marriage in the tax system, but it allows us to get the maximum effect from the Government’s original commitment, which I believe was welcome, but which was somewhat partial in terms of its original intentions. Recognising the financial challenges, I think new clause 3 would ensure that we can seek to remove some of the disincentives to marriage for those who wish to marry; it would help us to support social resilience and help with transferability; and it is also fiscally conservative. In short, new clause 3 is about getting more bang for our buck in supporting marriage and social justice.

Philip Boswell: There are several new clauses on which I intend to speak—most of them briefly—and the first is new clause 18.

New clause 18 calls for a review of the impact of section 24 of the Finance Act 2015. I and my SNP colleagues have concerns that the changes made in section 24 may have adverse consequences on the availability of affordable housing in Scotland and beyond. That legislation seems to be yet another London-centric policy that fails to take account of the diversity of the housing market throughout the UK.

Unlike other parts of the UK, where large rental agencies dominate, Scotland has a disproportionate number of landlords who own a small number of properties. That is hugely beneficial to tenants—particularly those on low incomes—as those small-scale landlords are often more willing to rent properties at an affordable
price and to those relying on social security as a safety net. Owing to the changes introduced in section 24, we are concerned that those small-scale landlords may be forced drastically to increase rental costs, causing houses to be less affordable, or to sell their properties, potentially resulting in their being purchased by less sympathetic landlords or agencies. Given the UK-wide housing crisis that we are suffering and the rising cost of rented accommodation, it is incredibly important to ensure that landlords who rent at affordable prices and to those who depend on social security as a safety net are not pushed out of the market. New clause 18 therefore calls for a review of the impact of these changes on the availability of affordable housing so that those on lower incomes are not adversely affected.

New clause 6 calls for a review of the VAT treatment of the Scottish Police Authority and the Scottish fire and rescue service. I thank the Minister for her comments and consideration in her introductory remarks. Many in this Chamber may be familiar with the matter of VAT in relation to the Scottish police and fire rescue services, which my colleagues have raised in this House on a number of occasions. This remains an incredibly important matter that this Government have failed properly to address. Since the incorporation of police and fire authorities in 2013, the Scottish Police Authority and the Scottish fire and rescue services have been charged VAT by the UK Treasury. This UK Government have refused to grant an exemption to these vital services in Scotland, despite the fact that since the time of incorporation the HMRC has handed out exemptions to the new transport agency Highways England, and Olympic legacy organisation the London Legacy Development Corporation.

This Tory-backed charge on essential Scottish public services is costing emergency services tens of millions every year that could and should be spent on frontline services. Only in June, it was reported that Scotland’s police force has paid £76.5 million in VAT since it was formed three years ago and remains unable to claim this money. It is worth noting that only the Scottish police and fire services have been expected to pay VAT to Her Majesty’s Revenue and Customs and not English, Welsh or Northern Irish services. This is a disgrace. It seems absurd and unfair for this Tory UK Government to continually expect the Scottish Government to rectify the matter and cover the difference, especially given the consistent cuts to the pocket money they grant Scotland to run devolved matters. New clause 6 therefore seeks a review of the impacts of the VAT treatment on the Scottish police and Scottish fire and rescue services, including analysis of the impact of the financial position of these services arising from their VAT treatment.

I turn briefly to new clause 15, which seeks to prevent VAT from being increased on the installation of energy-saving materials. I agree with the intent of the right hon. Member for Wokingham (John Redwood) to prevent these VAT increases, if not his methods. This Tory Government have consistently instituted regressive policies in relation to clean energy and energy-efficiency measures, from cuts to the solar subsidies—

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Does the hon. Gentleman agree that this would be a relatively cheap way of incentivising householder and energy-saving products in addressing some of the damage that the Government and the previous coalition Government did by, in effect, dismantling the green energy policy they claimed to support at the outset?

**Philip Boswell**: I thank the hon. Gentleman and agree wholeheartedly with his comments.

From cuts to solar subsidies, to the scrapping of onshore wind, to the scrapping of the green deal for energy for energy-efficient homes that the hon. Gentleman mentioned, to the selling of the UK Green Investment Bank—there are numerous other examples—this austerity-obsessed Government are taking the UK backwards with regard to renewable energy. I fear that with Brexit looming on the horizon this trajectory is set to continue. Given this environment of cuts, it seems logical for the installation of energy-saving materials to be exempt from a hike in VAT, as a bare minimum.

I will now speak to new clause 8 on dividend income. In Committee, my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin) tabled an amendment regarding the proposed changes to the treatment of dividend income by HMRC. My colleagues and I feel that this issue has not yet been sufficiently addressed by the Government. We did not press the new clause to a vote at that time so that we could address the matter at a later date, and we do so now. I do not wish to rehash previous points made, but this is a matter of great importance and, as such, we have tabled the new clause.

Numerous stakeholder groups raised concerns with the Committee regarding the regressive impact of the changes to dividend income proposed in this Bill, particularly the effect on small and microbusinesses, which employ between one and nine people. Those raising concerns have highlighted that the changes will have a disproportionate effect on microbusinesses run by owner-operators on modest incomes, given that there are already numerous disincentives to running microbusinesses—as opposed to traditional salaried employment—including, but not limited to, a lower level of job security and a lack of employer pension contributions.

**3.45 pm**

**Kirsty Blackman** (The Finance Bill was devised prior to the vote to leave the European Union. The measure under discussion will have a disproportionate effect on microbusinesses, so does my hon. Friend agree that the Government should accept our new clause and review the measure in the light of Brexit?

**Philip Boswell**: I must admit that I have sympathy with all who have reservations about any position taken in this Bill, given that, as my hon. Friend has said, it seeks to implement measures devised prior to the EU vote and therefore fails to provide for an economy that faces the harsh reality of Brexit. I am sure that we all look forward to the autumn or winter statement—whenever it will be—and the redress it will contain, imaginary or otherwise. We will then see. I presume, whether the new Chancellor is as good with imaginary numbers as the previous one was not.

The Federation of Small Businesses has raised serious concerns. It has highlighted that the changes are particularly acute for members of organisations who are on modest incomes. It has further submitted extensive evidence regarding member feedback on the proposed changes.
A number of responses have highlighted concerns from the owners of small and microbusinesses that the changes may mean that they will not be able to continue to employ their small workforces.

In addition, evidence was submitted to the Committee by Jason Kitcat of Crunch Accounting, who has produced excellent work on the matter. I acknowledge that Mr Kitcat has been referenced several times in discussions about the proposed changes, but his analysis is significant and, as such, ought to be raised again. Crunch Accounting has highlighted how the changes as proposed hit lower-earning microbusinesses the hardest. The Government have stated that the changes in dividend income will be offset by planned future changes both to the way in which Her Majesty’s Revenue and Customs treats corporations and to personal allowances. However, Crunch has highlighted how those anticipated changes will not fully offset the impact of changes to HMRC’s treatment of dividend income for microbusinesses, as proposed by the Bill. In addition, Crunch has highlighted how measures cited by Ministers, such as changes to employment allowances and the annual investment allowance, are rarely available to microbusinesses, as they have little capital investment requirements.

I stress that the importance of small and medium-sized enterprises to the Scottish and UK economy cannot be overstated. There are few things on which I agree with the Prime Minister, but I do agree with her statement last month that “small and medium sized businesses are the backbone of our country.”

I further welcome her indication in the same speech that she intends to listen to smaller firms. However, I am concerned that, despite that profession from the Prime Minister, the regressive changes to dividend income will not only disincentivise new SMEs from forming, but have the potential to cause existing microbusinesses to fail.

It is essential to note the number of SMEs that are categorised as microbusinesses. The UK is home to 5.2 million microbusinesses, which employ 8.4 million people. In Scotland, microbusinesses play an essential role in the economy. According to recent Scottish Government statistics, 99% of businesses in Scotland are categorised as SMEs, the vast majority of which are microbusinesses. Overall, microbusinesses comprise 81.5% of the businesses in Scotland. The figures are similar for the UK as a whole. According to House of Commons Library research in late 2015, 99% of businesses UK-wide are categorised as SMEs, 95% of which are microbusinesses.

Microbusinesses are essential and central to the functioning of both local and national economies. Given that microbusinesses make up the vast majority of businesses in Scotland and UK-wide, I find it absolutely staggering that HMRC does not make an assessment of microbusinesses as a separate group. Given the prevalence of microbusinesses throughout the economy, it does not seem on this matter as though the Government have listened to the concerns of smaller firms, despite last month’s proclamations from the Prime Minister.

When my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin) introduced the original SNP amendment regarding the proposed changes to the way in which HMRC treats dividend income, the response he received to his concerns about microbusinesses was that “the Government have considered the general economic impact of the changes...the measure is not expected to have any significant macroeconomic impacts.”—[Official Report, Finance Bill Public Bill Committee, 30 June 2016; c. 18.] This statement taken alone is staggering, given that, as I have stated, 94% of businesses in the UK are categorised as microbusinesses. I fail to see how introducing a change that principally impacts microbusinesses would not be expected to have any significant macroeconomic impact.

The Minister stated in her introductory remarks that we do not yet know the impact of such legislation. I would like to highlight oral evidence given to a Committee of the other place on 8 February 2016 by Cerys MacDonald, the deputy director of personal tax at HMRC. When asked by the Chairman about the impact of these changes on microbusinesses, Ms MacDonald stated:

“In I can assure the Committee that we recognise that the dividend tax changes will mean that a lot of people in owner-managed businesses are now paying a higher level of tax than previously, despite the benefit that they will see in the reduction of the corporate tax rate.”

Those two statements seem to me to be at variance with each other. Do the Government believe, as indicated by the Chief Secretary to the Treasury that the proposed changes to dividend income will not significantly impact on microbusinesses? Or do they believe, as indicated by Ms MacDonald of HMRC, that the changes will impact on owner-managed businesses, despite the planned future change to the corporate rate?

Given the uncertainty surrounding the inconsistent responses from Government, coupled with substantial evidence from the Federation of Small Businesses, Crunch Accounting and others, it seems as though the Government have not fully and comprehensively considered the impact of the proposed changes on small and microbusinesses—the backbone of our economy, as I am sure we all agree.

New clause 8 would require the Government to conduct a review of the impact of the changes on microbusinesses, including the impact on the failure rate of microbusinesses and the options for minimising the impact of the changes on directors who are on low incomes. I therefore advise hon. Members that we will press new clause 8 to a Division.

Fiona Bruce (Congleton) (Con): I rise to support new clauses 2 and 3, the social justice arguments for which, in support of some of the most vulnerable individuals and families in our society, have been so eloquently and comprehensively set out by my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) that, although I had prepared speeches on both new clauses, there is no need for me to take up the House’s time to echo what he has already said. I therefore simply put on record my full support for what he said, and I ask to be identified with his remarks.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I rise to support amendment 141, which is in my name and those of my hon. and right hon. Friends. I am extremely grateful to Mr Speaker for selecting my amendment, and I would also like to place on record my thanks to the Public Bill Office, whose advice and help on the matter have been greatly appreciated by me and my office.
I hope that the amendment will find agreement on both sides of the House, and I hope that the Government will not oppose it. The amendment would establish a very small tax exemption for residual cash balances that remain in an employee share incentive plan when an employee leaves such a plan. A residual cash balance is a sum of money, insufficient on its own to buy a single share that month, which would usually be carried over to the next month but which has to be refunded if an employee leaves the scheme. I propose that that balance, capped at a maximum of £10, would instead be donated to charity. That would have the added advantage of reducing costly and burdensome processing by company payroll departments.

Share incentive plans are a good and tax-efficient way to save for the future, and many employees take them up. I believe we should encourage employee share ownership. When an employee leaves a share investment plan, there is commonly a cash residual amount remaining in the account; often, it is just a few pence or a few pounds. When the employee chooses to leave the plan—that is mandatory if the participant leaves the company’s employment—the cash residual can no longer be carried forward. Under the current system, any remaining cash held in the plan when the employee leaves the plan is required to be processed, via the employer’s payroll, to apply national insurance contributions and income tax via PAYE and to pay the net balance to the employee. This process typically costs between £2 and £9, but provides little benefit to the individual receiving such a small amount.

Furthermore, the benefit to the Exchequer is far less than the total cost to companies of administering these payments, with companies paying almost twice as much to process the payments as the Treasury actually receives. To put that into numbers for the ease of Members in the Chamber, it is estimated that the administration costs for companies are between £400,000 and £500,000, while the benefit to the Treasury is just £200,000. If amendment 141 was accepted, charities and good causes would benefit by about £360,000, on top of the savings that companies would make.

There is a precedent for such a change. There are already examples of situations in which HMRC has agreed to individual exemptions to share incentive plan providers, which are currently based on specific requests assessed case by case. There is an appetite for this change among share investment plan providers and HMRC. Amendment 141 would be only a very small change to this Bill compared with what it covers, but it is one that could bring benefits to both companies and to charities and good causes, while at the same time supporting share investment plans by removing a costly and bureaucratic part of the system. The amendment would also help to simplify the tax system and encourage more charitable giving, both of which are stated priorities for this Government and would be priorities for any Government.

I was very pleased and heartened yesterday when the Government accepted amendment 145 in the name of my right hon. Friend the Member for Don Valley (Caroline Flint). I sincerely hope that the Minister will accept this amendment and that we can achieve the same result today. If she does not say she will accept it, I will seek to divide the House, but I can genuinely see no reason why the Government would not want the amendment to be agreed to.

Michael Tomlinson (Mid Dorset and North Poole) (Con): It is a great pleasure to follow the hon. Member for Stalybridge and Hyde (Jonathan Reynolds). I rise to support new clause 3, to which I have added my name. I, too, agree with everything said by my hon. Friend the Member for Enfield, Southgate (Mr Burrowes). I cannot promise to be quite as brief as my hon. Friend the Member for Congleton (Fiona Bruce), because I wish to add one or two remarks of my own.

The fundamental problem is that family breakdown costs a staggering £47 billion per annum, according to the latest figures. Quite apart from the consequential social dislocation and pain that it causes, it is also undermining the British economy. Of huge importance is the fact that most breakdowns do not arise from divorce, but from the ending of relationships in which the couples concerned have not made to each other the public, exclusive and legal commitment that is marriage. Where they do make such a commitment, their relationships—not surprisingly—are far more likely to be stable.

In this context, there remains a massive public policy imperative to ask whether we are doing anything to make marriage less accessible than in other similarly developed countries. We are unusual in this country in having failed until recently to recognise marriage in our income tax system. The solution initially proposed was for a full transferable allowance, but in the event a transferable allowance of only 10% was enacted. A statistic that has already been mentioned but bears repeating is that the tax burden on one-earner married couples with two children on the average wage is 25% greater than the OECD average. The allowance is not making marriage more accessible in a meaningful way. In this context, it is no surprise that the take-up of the allowance has been so low, although the Minister welcomed the fact that the figure is moving in the right direction.

In going forward, two things could be done. First, if it is not possible in the short term to have a full transferable allowance, we should at least ensure that some married families on the basic rate receive a meaningful transferable allowance. Given that the research is so clear that child development is greatly enhanced by the presence of both mother and father in the family home and given the fact that the public policy benefits of marriage are so well developed, a full transferable allowance for married couples with children under five might be a good place to start.

Secondly, perhaps in the slightly longer term we could work towards the full transferable allowance for married couples generally. Of course that would not be cheap, but it would be considerably cheaper than the current cost of £47 billion. It would promote choice by removing obstacles to marriage. As has been pointed out, it is very much about promoting the life chances agenda. I look forward to the Minister saying one or two more words about this matter in her closing remarks.

4 pm

Mark Durkan (Foyle) (SDLP): I have a couple of questions about Government new clause 9, which relates specifically to Northern Ireland and the tax treatment
of supplementary welfare payments that might be made there, but before I come on to that I want to acknowledge some of the other amendments before us.

The hon. Members for Stalybridge and Hyde (Jonathan Reynolds) and for Wolverhampton South West (Rob Marris) spoke persuasively about amendment 141. The question that arises is: why would the Government and Parliament not do what is proposed in that amendment?

Similarly, on new clause 19, which was tabled by the hon. Member for Ilford North ( Wes Streeting), it is hugely important that this Parliament is in the business of making sure that there is transparency in our debates. Yesterday, the emphasis was on making sure that there was transparency in the tax affairs of companies. We as a Parliament should insist that we show full transparency in our intent on tax policy and taxation measures.

New clause 19 would take us back to having transparency on the anticipated impact of taxation on families and households of different incomes. There would also be an analysis later in the year of what the impact of particular tax policies and the cumulative impact of various tax policies had been. Surely that is what we should all be in the business of doing when we go through the complicated and confusing exercise of having the various stages of Budget debates here. One thing we all value is knowing what the impact of what we are talking about will be.

I was in this House when a Labour Government adopted a misguided Budget measure in respect of the 10p tax band. A number of Labour Members raised the alarm and said that there would be an adverse impact on people of low income. The Government briefed heavily that that was nonsense and people were marched through the Lobbies. Similarly, we had the recent experience of the proposed changes to working tax credit. People were celebrating the changes and thought they were wonderful, having believed the Chancellor’s spin. Thankfully, not only Opposition Members but Conservative Members raised real and practical concerns about what the impact would be.

Why would it be wrong to follow new clause 19 and ensure that in all our Budget deliberations in future there is an effort to have a properly appraised impact assessment for taxation measures? That would allow us to answer not the question that is usually asked immediately after a Budget, which is what credit particular MPs or Ministers should get for what measures—that is not really what a Budget is about—but that of who gets the benefit in terms of fairness, social equity and the efficiency of economic impact that that induces. For those reasons, I fully support new clause 19.

Similarly, many hon. Members have made the case for new clause 15. Many of them have made the straightforward point that it would be almost perverse for the Government to refuse a new clause that would preclude an increase in VAT on the installation of energy-saving materials. I know the Government will say that it is otiose because they have no intention of increasing it, but over the past few years, we have experienced the Government adopting a series of perverse measures that have confounded the underlying policy commitments in respect of the green economy, renewables and energy efficiency. Given that the Government have introduced so many measures that have had a perversive effect on that sector and an adverse impact on households, it makes sense to have the belt and braces of new clause 15. I cannot see what is wrong with that.

I also note in passing—and at the risk of another voice-activated intervention—that when the right hon. Member for Wokingham (John Redwood) sought to contradict the Financial Secretary’s earlier comments, he cited what he thought was a point of clarity in the Brexit Secretary’s performance yesterday. He is the first Member to have offered me any point of clarity from that performance, which I thought demonstrated the new Secretary of State’s wish to be the first Minister to fulfil the new Government policy on environmental sensitivity, given that he treated us to more than two hours of cosmetics without a single microbead of substance.

The lead measure in this group, new clause 9, refers specifically to Northern Ireland. It deals with the ability there will be for the Northern Ireland Assembly to make additional supplementary payments as mitigation measures to offset some of the impact of the welfare reform measures now being imposed by direct rule from this House, courtesy of the so-called “Fresh Start” agreement. My party expressed our misgivings about and opposition to that overall arrangement, with regard to direct rule powers and the imposition of the effects of welfare reform legislation on Northern Ireland. However, we have long canvassed for mitigation and supplementary payments, and established that case with the Department for Work and Pensions early in 2012.

The one concern people will have about new clause 9 is with the language used. Although in the new clause the Government clearly provide for the Treasury to ensure that “no liability to income tax arises on supplementary welfare payments of a specified description” they also allow the Treasury to make regulations to “impose a charge to income tax under Part 10 of ITEPA 2003 on payments of a specified description”.

The power is there to make sure that the Treasury does not activate a tax liability on supplementary payments that have been discussed and voted through by the Assembly but there also seems to be a power to subject some of those payments to tax.

I wonder why the Treasury feels the need to have that reserve power to impose a tax liability on such payments. We should remember that those payments will be made out of the Executive’s own resources in the devolved budget, because they come out of the departmental expenditure limit for the Assembly. The payments will not come under annually managed expenditure.

Why is that power there? Many people will be concerned that the Treasury will attempt to insinuate itself into any debate among Executive or Assembly parties about what measures they should adopt in mitigation of welfare reform by saying that it may subject some of those measures to a tax clawback. That is clear from subsection (3) of the new clause, and also from looking at subsection (4), which will permit the Treasury’s regulations to “make…different provision for different cases…incidental or supplementary provision” or “consequential provision”. That differential raises the question of why we want to reserve the power to impose tax on measures that the Executive or Assembly seek to bring forward and why the Treasury should be able to do so differently on a case-by-case basis, as that...
will give rise to arguments about inequity and capricious performance. The suspicion is that the Treasury sought to answer the stand-off on welfare reform in the Northern Ireland Assembly. The Assembly would not discharge the karaoke legislation it was being asked to pass in relation to welfare reform. The Treasury intervened by saying, “If you don’t pass it, we will effectively tax your devolved budget to the tune of what we estimate you would be overspending on welfare.” The Treasury insinuated itself into what should have been a debate for the devolved Assembly.

The danger is that now, even in the area of the mitigating powers—the supplementary payments the Assembly will be able to offer, as provided for in the “Fresh Start” agreement—the Treasury could, in the language of the new clause, insinuate itself in the choices and consideration undertaken by the Executive and Assembly. The Treasury’s past form shows that it has not resisted the temptation to insinuate itself. I therefore want assurance from the Financial Secretary that this language will not be there to give the Treasury the right to interfere in the choices that may be made by Ministers and Committees in the Assembly in respect of the supplementary payments they would be allowed to bring forward.

Jim Shannon (Strangford) (DUP): I commend all hon. Members who have made very valuable contributions, in particular the hon. Member for Enfield, Southgate (Mr Burrowes). He is no longer in his place, but I would like to speak to his presentation on new clause 3. He set out clearly where we stand.

I want to put on record again the consistent support of the Democratic Unionist party for the provision of the transferable allowance for married couples. I remember the hon. Member for Congleton (Fiona Bruce) and I taking some verbal attacks in this Chamber—mostly from the Opposition Benches, I have to say—for our stance on this issue, but we persevered and the Government persevered. I thank the Government for bringing in the provision in their previous term. I had hoped there would have been some indication that the Government could support new clause 3. I understand, after talking to the hon. Member for Enfield, Southgate, that he will not press it to a Division. If that is the case, we have to abide by that.

The sadness for me is that the Government have, until today, chosen to invest the lion’s share of their resources in their other income tax policy of raising the personal allowance. It is undoubtedly true that that policy helps poorer families, but it is very badly targeted. If I may say so in a respectful way, it seems to be targeted at those who can well afford it, as against those who cannot. I have to put on record that I have some concerns about that. The Institute for Fiscal Studies has demonstrated that 75% of the benefit—and now, as the allowance is being raised from £10,000 to £12,500, even more than 75% of the benefit—goes to those in the top half of the income distribution. That is what the available statistics and charts indicate and I have to say they are very stark. They indicate an imbalance in the system that, as the hon. Gentleman clearly stated, is a concern.

Fiona Bruce: There is another imbalance in the system. I do not know whether the hon. Gentleman is aware that the married couple’s allowance, which provides support to married couples where at least one spouse was born before April 1935, is worth £8,355 a year. Should we not also be looking at providing for those families with young children who are in the lowest socioeconomic bracket and supporting them similarly?

Jim Shannon: I could not agree more and I would like to make a comment on that later. New clause 3 clearly outlines the importance of that, but unfortunately we do not have the opportunity to support it today. I am sure the Minister, who knows I respect her greatly, will be able to respond to some of our concerns.

The IFS has demonstrated that, in contrast to the personal allowance, the transferable allowance results in 70% of the benefit going to those in the bottom half of the income distribution. The problem is that so far this has received only symbolic recognition. That has had two effects. First, the fundamental marriage accessibility challenge has not really been addressed, which is a massive issue given the impact on life chances of being brought up in a married home compared with a non-married home. Secondly, the very limited symbolic recognition has translated into low take-up. Given the distributional impact of the two tax policies and the impact of the transferable allowance on life chances, I have to say that if the Government are to have one symbolic policy and one substantive policy, they have got it the wrong way around. I say that with great respect. It would have been wiser to focus investment on the transferable allowance rather than redistribute billions to those in the top half of the income scale by raising personal allowances. I believe that we urgently need to change that. If the allowance cannot be made generally available to basic rate married couples, it should be focused, as the hon. Member for Congleton said, on families with children under five.

4.15 pm

The review proposed in new clause 3 would deal first with the “level of take-up of the allowance”. I understand that the Minister has indicated some willingness to set targets for the level of take-up. I ask her to do that, if possible, because it would enable those who have not taken advantage of the married tax allowance to do so. The hon. Member for Congleton referred to the review addressing “the impact of the allowance on individuals with children aged five years or under”.

We—and when I say “we”, I mean this Government and this House—should focus on families with children aged five or under, because it is in that group that child poverty is growing right across the United Kingdom of Great Britain and Northern Ireland. I am greatly concerned about, because child poverty levels in my region of Northern Ireland are the highest—a fact that cannot be ignored. We must do something to address this issue.

Fiona Bruce: Is the hon. Gentleman aware that the highest levels of marriage breakdown occur when children are aged between nought and three? We are looking to support marriage at just that moment of greatest strain.

Jim Shannon: As always, the hon. Lady is wise in her interventions. I thank her for what she said, which underlines other important issues. If we can help at that
critical time when the pressure is on, I believe that this House should do so. I hope that the Minister will do so, too, in her response.

The impact of the allowance on low-income households also needs to be addressed, as new clause 3 proposes. I hope we can do that at the right time. The new clause refers finally to “ways in which the allowance could be changed to target low-income families with young children.”

Those points clearly illustrate for me what is necessary in this Bill, although the provisions may not be as hard and fast as I would like them to be.

Let me conclude; I am conscious of the time. In the longer term, there is a pressing need to adopt a more balanced approach to the resourcing of raising the personal allowance and increasing the transferable allowance. I fully support the transferable allowance and I would have hoped that the Government could commit themselves to it. Speaking as someone committed to progressive tax policy which targets those in the lower half of the income distribution scales rather than those in the top half, if the proposal means less money going to the personal allowance, in my judgment and, I believe, in the judgment of many in this House, that would be no bad thing.

Rebecca Long Bailey: I wish to speak to new clauses 15 and 19, and amendments 141 and 180 to 182, which were tabled in my name and those of my hon. Friends. I shall also touch on a few of the other amendments and new clauses in the group, which has turned into a bit of a rag-bag of issues.

New clause 15 relates to VAT on energy-saving materials. The new clause would prohibit the making of any order that would have the effect of raising the rate of VAT on the installation of energy-saving materials or any individual category thereof. In short, it would prevent the Government from implementing their planned hike in VAT through secondary legislation.

For hon. Members who might have forgotten the background, let me briefly recap how our ability to debate this amendment today came about. Amid the fallout from the so-called “ultra-shambles” Budget, the Government were forced to become the first in history, from implementing their planned hike in VAT through secondary legislation.

For hon. Members who might have forgotten the background, let me briefly recap how our ability to debate this amendment today came about. Amid the fallout from the so-called “ultra-shambles” Budget, the Government were forced to become the first in history, only to void making such a commitment when pressed during Treasury questions and, just a few weeks later, during questions to the Secretary of State for the now abolished Department of Energy and Climate Change.

That is not surprising, given the Government’s abysmal failure to provide any kind of certainty for the renewable energy sector in the United Kingdom. Over the past six years, they have consistently undermined support by, for instance, cutting the feed-in tariff by 64%, scrapping tax relief for clean energy projects, and removing subsidies for new onshore wind farms. The £1 billion for investment in carbon capture and storage has also been scrapped. At the same time, safeguards to reduce the environmental risks posed by fracking have been stripped away, and fracking under national parks has been given the go-ahead. The executive director of Greenpeace UK put it succinctly recently, saying:

“A tax hike on solar panels was just the latest addition to a litany of poor decisions”.

He also said that the Government should accept that they had “a reverse Midas touch on energy investment”.

This would be an opportune time for the new Chancellor and his team to signal a change of direction by accepting our new clause, but I fear that, given the abolition of the Department of Energy and Climate Change, the Conservative party’s husky-hugging days are long gone. I am pleased, however, that the Government have finally seen fit to publish the report by the Committee on Climate Change on the compatibility of UK onshore petroleum with meeting the UK’s carbon budgets. I can see now why they sat on it for four months.

The report states:

“Our assessment is...that onshore petroleum extraction on a significant scale is not compatible with UK climate targets”.

That, it says, will remain the case unless three key tests are met: first,

“Well development, production and decommissioning emissions must be strictly limited”;

secondly,

“gas consumption must remain in line with carbon budgets requirements”;

and thirdly, the report specifies the importance of

“Accommodating shale gas production emissions within carbon budgets.”

Does the Minister agree, therefore, that tighter safeguards in fracking—for which Labour consistently called during the passage of the Bill that became the Energy Act 2016—are now absolutely necessary?

I digress. Let me conclude my remarks about new clause 15. Opposition Members want to ensure that the original solar tax U-turn is guaranteed in statute in the Finance Bill, to prevent a second U-turn. That would give the renewable energy market the certainty that it needs and deserves, and would, we hope, send a signal that the new Administration are prepared to look again at the future of the industry in a green economy. If we
are to take seriously the intention of the new Ministers to rethink these fundamental issues, now is the time for them to show it.

New clause 19 was tabled by my hon. Friend the Member for Ilford North (Wes Streeting). As my hon. Friend explained so articulately, it would require the Government to review the impact of the measures in the Bill on households at different levels of income. It would also require the Chancellor to review the impact of Government fiscal measures on households at different levels of income at least once in each financial year. It is an excellent new clause, and it has the full support of the Labour Front Bench.

As I pressed on the Government earlier today in the capital gains tax debate and yesterday on corporation tax, this Bill has unfairness at its very core. The reduction in CGT alone amounts to a tax giveaway to 200,000 people—just 0.3% of the population—of around £3,000 a year on average. Clearly this Government conduct no distributional analysis of the measures they introduce, or if they do the results are so bad that they do not publish them. This amendment would force the Government to publish such analysis, and therefore I am pleased to have heard the Minister’s earlier comments; it seems that the Government are seriously considering this matter and I hope she takes it forward.

Amendments 180 to 182 specify that the chair and tax director of the OTS would be appointed and terminated only with the consent of the Treasury Committee, in line with what happens with the Office for Budget Responsibility. A similar Labour amendment, which would have had the same effect, was debated in the Public Bill Committee, but we did not divide the Committee on it. During the course of that debate I made the point that while Labour supports establishing the OTS on a statutory footing, we feel its independence is of the utmost importance. As I am sure the Minister is aware, Labour has placed on record our concerns about the OTS potentially being used for political purposes, and ensuring that the chair and tax director is accountable to the Treasury Committee seems a sensible approach to safeguarding its impartiality. Again, I am pleased to hear today that the Minister seems to be taking our opinions and those expressed in the House today seriously.

Amendment 141 would introduce a de minimis tax exemption for residual cash balances remaining in a share incentive plan when they are donated to charity, with an upper cap of £10. This seems like an extremely sensible suggestion, and the Labour Front Bench is supportive of the amendment. I congratulate my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) on tabling it and explaining it so articulately.

I shall say a few quick words on new clause 8 in the name of the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), for Aberdeen North (Kirsty Blackman) and for Coatbridge, Chryston and Bellshill (Philip Boswell). This new clause would require a review of how the changes to the tax on dividend income will affect directors of microbusinesses. There are some concerns, as we have heard today, that the changes to dividend taxation will have a detrimental effect on the owners of microbusinesses. Jason Kitzat, who has become quite famous today, has done some detailed analysis which shows that the dividend tax changes included in clause 5 and schedule 1 are somewhat regressive in nature. For instance, Crunch analysis shows that a limited company director paying themselves through dividends would be paying £1,528 more a year when their pre-tax profits are £48,000, whereas a director with £78,000 in pre-tax profits would only be paying £1,343 more in tax.

The Federation of Small Businesses has also stated that these measures have caused substantial disquiet among its members. This is especially acute for members on modest incomes who, unlike their employed counterparts, will now see a rise in their tax liabilities. This is very worrying and indeed makes the case for distributional analysis, referred to in relation to new clause 19, even more important. A review of the impact of these measures therefore seems quite sensible at this stage and we will support the SNP if it divides the House on this issue.

Finally, Government new clause 9 relates to the tax treatment of supplementary welfare payments in Northern Ireland. The Low Incomes Tax Reform Group has outlined some technical points for clarification on which I hope the Minister can shed some light: in essence, which payments will be taxable? The Budget said:

“Where the Northern Ireland Executive intends to top-up UK-wide benefits from within its block grant as it implements welfare reform, the Government will exempt from tax the top-up payments to non-taxable benefits.”

The implication, confirmed in the explanatory notes to the amendment, is that top-ups to taxable benefits will be taxable as well. However, if we take the payments to mitigate the impact of time-limiting contribution-based employment support allowance it seems that two situations are possible. One is that the person’s contribution-based ESA ends and they claim, or are already getting, income-related ESA. If the income-related ESA awarded is less than the person would have received through contribution-based ESA, they will receive a welfare supplementary payment to cover the difference. The second possibility is that their contribution-based ESA ends but they do not get income-related ESA, in which case the WSP will equal the full amount of the lost contribution-based ESA.

4.30 pm

This is not really a top-up of an existing benefit in either case. In the first case, the difference between income-related ESA and what the person would have received under contribution-based ESA is given as a supplementary payment. In the second case, the supplementary payment replaces the lost contribution-based ESA in its entirety. Will the Minister tell the House whether, if the supplementary payment is replacing a taxable benefit, it will be taxable? This is a very technical area, so I would be grateful if she wrote to me to clarify the position following the debate.

In conclusion, I return to the question of the VAT treatment of energy-saving materials. The 5% reduced rate must be kept. It is good for the renewables energy sector, which needs stability, and putting that commitment into statute today would be a good start. I shall therefore divide the House on new clause 15.

Jane Ellison: The hon. Lady referred to the issues that we have debated this afternoon as a “rag-bag”, but I think that is a bit unkind. I prefer to describe the debate as a smorgasbord of wide-ranging issues and thoughtful
speeches. I shall not repeat my opening remarks, but I shall try to add something to each of the areas where it is relevant to do so, in no particular order.

I thank the hon. Member for Ilford North (Wes Streeting), who is no longer in his place, for welcoming the fact that the Chancellor is looking at the issue of distribution analysis, as he said he would in his letter to the Select Committee Chairman. We will comment further on that in due course. As a result, the hon. Gentleman decided not to press new clause 19 to a vote. /Interruption./ Ah, the hon. Member for Wolverhampton South West (Rob Marris) has returned to his place just as I was about to be nice about him. He must instinctively have known that I was going to thank him for his wide-ranging contribution to the debate. He presented me with some fair challenges as a new Minister. He also made some interesting points about tax simplification. I am due to have a meeting with the Office of Tax Simplification shortly, and he has certainly given me food for thought for my agenda. I reiterate that the Bill will put the OTS on a statutory footing, which I believe indicates the seriousness with which we take its work.

This has been a probing debate. My hon. Friend the Member for Enfield, Southgate (Mr Burrowes) is now on Select Committee duties and therefore unable to return to his place in the Chamber, but he made an interesting contribution on an issue that I know all too well—that of high-strength alcohol. This is something that needs to be looked at in the round, but I can assure him, given my three years in the job that I did before this one, that I take the matter very seriously. He was also generous enough to note, correctly, that the Department of Health has had a good deal of success, working with manufacturers, in reducing the number of very high-strength products on the market. I also note the discussion that took place about silver linings, in which varying views were expressed. I am sure that we will give further thought to these matters in due course. My hon. Friend the Member for Congleton (Fiona Bruce) and others also stressed the matter of the cost to society of some of those products.

My hon. Friend the Member for Enfield, Southgate also talked about the marriage allowance. I want it to be clear that the Government’s focus is on delivering the existing policy, but I did mention in my introductory remarks that a quarter of those who benefit are households with children. We do not want to create a two-track marriage system within the allowance, but the Government are none the less committed to helping low-income households and those with young children through a wide range of other policies including, for example, tax-free childcare and the new national living wage.

I want to add that the online application process for the marriage allowance takes only seven minutes. I call upon the hon. Member for Strangford (Jim Shannon) and my hon. Friend the Members for Congleton and for Enfield, Southgate and others who have an interest in this matter to assist us and promote it. I found in some of my summer recess meetings with groups in my constituency that awareness of the marriage allowance is low. It is of real benefit to lower-income married couples and all Members can contribute to promoting awareness and take up of it. None the less, I reassure all colleagues—my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) also spoke about this—that I will continue to look closely at take-up with HMRC. I also suggest that promoting the personal tax account is another good way of promoting the take-up of the allowance, because when appropriate people take up a personal tax account they can get a nudge to apply. I reiterate that HMRC will receive the millionth application next month, putting us on course to meet the OBR’s revised forecast for take-up this year.

I have already mentioned the seriousness with which we take the Office of Tax Simplification, but it is worth noting that the recommendations led to the introduction of cash-based accounting for tax. One million self-employed individuals took that up in the first year alone, so those recommendations were important.

I appreciate the intention behind new clause 8 tabled by the hon. Member for Stalybridge and Hyde (Jonathan Reynolds), but I said that the Government feel that the change would add additional complexity; I do not think he agrees with that. We have received no indication that fewer companies are making use of share incentive plans due to the administrative cost mentioned by the Opposition, but we will keep that under review. To tease out why our views differ on how the scheme might work and why the Government feel that the idea needs further development, if the hon. Gentleman is willing not to press the amendment, I am happy to meet him to discuss the matter and to understand why he feels that way.

Jonathan Reynolds: I thank the Minister for those comments. I have a small sense of frustration as I believe that nearly every Conservative Member—indeed, all Members—would back the change on its merits, but I understand that Ministers have limited room for manoeuvre at the Dispatch Box, so I will accept that offer in good faith and will not press the amendment.

Jane Ellison: I thank the hon. Gentleman for that and look forward to our meeting.

Several Members spoke about new clause 15, including my right hon. Friend the Member for Wokingham (John Redwood) and the hon. Member for Salford and Eccles, and I reiterate that nothing would be achieved that is not already achieved by the Government’s tax lock. The reduced rate of 5% has applied to installations of energy-saving materials since 2001 and that rate remains in place and unchanged. As for the wider issues about European Union VAT and excise systems, we are considering a range of issues as we look to exit the European Union.

On new clause 19, as I said, we feel that the tax lock, for which we have already legislated, actually goes further by preventing the use of secondary legislation, about which the hon. Member for Salford and Eccles was worried.

Turning to new clause 18, I will repeat to the hon. Member for Coatbridge, Chryston and Bellshill (Philip Boswell) what I said in my opening remarks: the Government do not expect the measure to have a large impact on rents due to the small proportion of the housing market affected—around one in five individual landlords.

On the SNP’s new clause 8 and the points made about the changes to dividend tax, I reiterate that the way in which such changes affect small and microbusinesses cannot be looked at in isolation. The Government take...
the concerns of microbusinesses incredibly seriously—I met the Federation of Small Businesses only last week, for example. As for listening to the concerns of microbusinesses, I point hon. Members to the changes made to the Government’s “Making Tax Digital” consultation documents as evidence of our sensitivity to such concerns and we look to respond to them when we can. It is important to note that we believe the dividend tax is still progressive overall, and individuals with higher incomes will still pay a higher rate of tax on their dividends.

On the wider changes to small businesses and microbusinesses, I point the hon. Gentleman to Budget 2016 in particular, as it is introducing the biggest ever business rate reduction, worth £6.7 billion. It has yet to come into force, but it will make a very significant difference to a very large number of microbusinesses across all our constituencies.

Lastly, I hope to answer the highly technical point made by the hon. Member for Foyle (Mark Durkan). Government new clause 9 will exempt from income tax supplementary payments that mitigate tax-exempt benefits paid by the Northern Ireland Executive. Any supplementary payments that mitigate tax benefits will themselves be taxable. As a result, all supplementary payments will be taxed in the same manner as the benefits they are mitigating, to ensure fairness and consistency with the tax system. I was asked whether the power being taken in this Finance Bill would be used more widely. No, the power being taken in this Bill will be restricted to only allowing for the tax status of the Northern Ireland supplementary payments to be established in regulations. Full welfare devolution has always been part of Northern Ireland’s devolution settlement. I hope that adds some clarity.

This has been a wide-ranging debate. We have touched on some good issues and found some common ground. The measures in this Finance Bill will benefit working people, boost UK businesses, and take on tax evasion and avoidance. In the days we have spent on Report, and during the Bill’s earlier stages, we have debated many aspects of it thoroughly, and on Third Reading the House will have a final opportunity to consider the Bill as a whole. At that point, I will set out the main reforms for which the Bill legislates, but I hope that this afternoon’s discussion has been helpful and that my responses to points have helped the various Members who raised them.

Question put and agreed to.

New clause 9 accordingly read a Second time, and added to the Bill.

New Clause 8

Review of Changes to Tax on Dividend Income

(1) The Chancellor of the Exchequer must commission a review of how the changes to the tax on dividend income implemented by this Act affect directors of micro-business companies, to include—

(a) the impacts across the distribution of such directors’ net income;
(b) the impact on company failure rates; and
(c) options for amending the law to minimise the impact on such directors who are on low incomes.

(2) The Chancellor must lay a report of the review before both Houses of Parliament within six months of the passing of this Act.”—(Philip Boswell.)

Brought up, and read the First time.

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

The House divided: Ayes 261, Noes 309.

Division No. 59

AYES

Abbott, Ms Diane  Day, Martyn
Abrahams, Debbie  De Piero, Gloria
Ahmed-Sheikh, Ms Tasmina  Debonnaire, Thangam
Allin-Khan, Dr Rosena  Docherty-Hughes, Martin
Anderson, Mr David  Donaldson, Stuart Blair
Arkless, Richard  Doughty, Stephen
Ashworth, Jonathan  Dowd, Jim
Bailey, Mr Adrian  Dowd, Peter
Bardell, Hannah  Dromey, Jack
Barron, rh Kevin  Dugher, Michael
Beckett, rh Margaret  Durkan, Mark
Benn, rh Hilary  Eagle, Ms Angela
Berger, Luciana  Eagle, Maria
Betts, Mr Clive  Edwards, Jonathan
Black, Mhairi  Efford, Clive
Blackford, Ian  Elliott, Julie
Blackman, Kirsty  Elliott, Tom
Blackman-Woods, Dr Roberta  Ellman, Mrs Louise
Blenkinsop, Tom  Elmore, Chris
Blomfield, Paul  Esterson, Bill
Boswell, Philip  Evans, Chris
Bradshaw, rh Mr Ben  Farrelly, Paul
Braze, rh Tom  Fellows, Marion
Brennan, Kevin  Ferrier, Margaret
Brock, Deidre  Field, rh Frank
Brown, Alan  Fitzpatrick, Jim
Brown, rh Mr Nicholas  Fletcher, Colleen
Bryant, Chris  Flynn, Paul
Buck, Ms Karen  Fovargue, Yvonne
Burden, Richard  Foxcroft, Vicky
Burgon, Richard  Furniss, Gill
Burnham, rh Andy  Gapes, Mike
Butler, Dawn  Gardiner, Barry
Byrne, rh Liam  Gethins, Stephen
Cadbury, Ruth  Gibson, Patricia
Campbell, rh Mr Alan  Glass, Pat
Campbell, Mr Ronnie  Glindon, Mary
Carmichael, rh Mr Alistair  Goddiss, Mr Roger
Champion, Sarah  Goodman, Helen
Chapman, Douglas  Grady, Patrick
Chapman, Jenny  Grant, Peter
Cherry, Joanna  Green, Kate
Clwyd, rh Ann  Greenwood, Margaret
Coaker, Vernon  Griffith, Nia
Coffey, Ann  Gwyrrne, Andrew
Cowan, Ronnie  Haigh, Louise
Coyle, Neil  Hamilton, Fabian
Crawsby, Mr David  Hanson, rh Mr David
Crawley, Angela  Harman, rh Ms Harriet
Creagh, Mary  Harris, Carolyn
Creasy, Stella  Hayes, Helen
Cruddas, Jon  Hayman, Sue
Cryer, John  Healey, rh John
Cummins, Judith  Hendry, Drew
Cunningham, Alex  Hepburn, Mr Stephen
Cunningham, Mr Jim  Hermon, Lady
Dakin, Nic  Hillier, Meg
Danczuk, Simon  Hodgson, Mrs Sharon
David, Wayne  Hollern, Kate
Davies, Geraint  Hopkins, Kelvin
**Finance Bill**

6 SEPTEMBER 2016

**Teilers for the Ayes:**

O'Hara, Brendan

Onn, Melanie

Onurah, Chi

Osamor, Kate

Paterson, Steven

Pearce, Teresa

Pennycook, Matthew

Perkins, Toby

Phillips, Jess

Phillipson, Bridget

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

Robertson, rh Angus

Rotheram, Steve

Ryan, rh Joan

Saville Roberts, Liz

Sheerman, Mr Barry

Sheppard, Tommy

Shuker, Mr Gavin

Skinner, Mr Dennis

Slaughter, Andy

Smeth, Ruth

Smith, rh Mr Andrew

Smith, Angela

Smith, Jeff

Smith, Nick

Smyth, Karin

Spellar, rh Mr John

Starker, Keir

Stephens, Chris

Stevens, Jo

Streeting, Wes

Stringer, Graham

Stuart, rh Ms Gisela

Tami, Mark

Thewliss, Alison

Thomas, Mr Gareth

Thomas-Symonds, Nick

Thomson, Michelle

Timms, rh Stephen

Trickett, Jon

Turley, Anna

Turner, Karl

Twigg, Derek

Urmunna, Mr Chuka

Vaz, rh Keith

Vaz, Valerie

Watson, Mr Tom

West, Catherine

Whiteford, Dr Eilidh

Whitehead, Dr Alan

Williams, Hywel

Williams, Mr Mark

Wilson, Phil

Winnick, Mr David

Winterton, rh Dame Rosie

Withart, Pete

Wright, Mr Iain

Zeichner, Daniel

**Tellers for the Noes:**

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

Baron, Mr John

Barwell, Gavin

Bebb, Guto

Bellingham, Sir Henry

Beresford, Sir Paul

Berry, Jake

Berry, James

Bingham, Andrew

Blackman, Bob

Blunt, Crispin

Bolles, Nick

Bone, Mr Peter

Borwick, Victoria

Bottomley, Sir Peter

Bradley, rh Karen

Brady, Mr Graham

Brazier, Mr Julian

Bridgeg, Andrew

Brokenshire, rh James

Bruce, Fiona

Buckland, Robert

Burns, Conor

Burns, rh Sir Simon

Burrowes, Mr David

Burt, rh Alistair

Cairns, rh Alun

Cameron, rh Mr David

Campbell, Mr Gregory

Carmichael, Neil

Carswell, Mr Douglas

Cartidge, James

Cash, Sir William

Caufield, Maria

Chalk, Alex

Chishti, Rehman

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

Crabb, rh Stephen

Crouch, Tracey

Davies, Byron

Davies, Chris

Davies, David T. C.

Davies, Glyn

Davies, Mims

Dinenage, Caroline

Djanogly, Mr Jonathan

Dodds, rh Mr Nigel

Donelan, Michelle

**Tellers for the Noes:**

Dornies, Nadine

Double, Steve

Dowden, Oliver

Doyly-Price, Jackie

Drax, Richard

Drummond, Mrs Flick

Duddridge, James

Duncan Smith, rh Mr Iain

Dunne, Mr Philip

Ellis, Michael

Ellison, Jane

Ellwood, Mr Tobias

Elphicke, Charlie

Eustice, George

Evans, Graham

Evans, rh Mr Nigel

Evnett, rh Mr David

Fabricant, Michael

Fallon, rh Michael

Fernandes, Suella

Field, rh Mark

Foster, Kevin

Fragos, rh Mr Mark

Frazer, Lucy

Freeman, George

Freer, Mike

Fuller, Richard

Fysh, Marcus

Garnier, rh Sir Edward

Garnier, Mark

Gauke, rh Mr David

Ghani, Nusrat

Gibb, rh 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

Gummer, rh Ben

Gyimah, Mr Sam

Halfon, rh Robert

Hall, Luke

Hammond, Stephen

Hancock, rh Matt

Hands, rh Greg

Harper, rh Mr Mark

Harrington, Richard

Harris, Rebecca

Hart, Simon

Haselhurst, rh Sir Alan

Hayes, rh Mr John

Heald, Sir Oliver

Heappey, James

Heat-on-Harris, Chris

Heat-on-Jones, Peter

Henderson, Gordon

Herbert, rh Nick

Hinds, Damian

Hoare, Simon

Hollingsby, George

Hollinska, Kevin

Hollubone, Mr Philip

Holloway, Mr Adam
Question accordingly negatived.

New Clause 15

VAT on Installation of Energy Saving Materials

“(1) No order shall be made under the Value Added Tax Act 1994 which would have the effect of raising the rate of VAT on installation of energy saving materials, or any individual category thereof.

(2) No order shall be made under the Value Added Tax Act 1994 to vary Schedule 7A of that Act by deleting or varying any description of supply within Group 2 (Installation of Energy Saving Materials).

(3) ‘Installation of energy saving materials’ has the meaning given in Schedule 7A of the Value Added Tax Act 1994.”—(Rebecca Long Bailey.)

Brought up, and read the First time.

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


Division No. 60] [4.57 pm

AYES

Abbot, Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Mr Tasmina
Alin-Khan, Dr Rosena
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
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, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard

Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Steve Brice and Andrew Griffiths

Noes

Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Carswell, Mr Douglas
Champion, Sarah
Chapman, Jenny
Cherry, Joanna
Clegg, rh Mr Nick
Ciwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cowan, Ronnie
Coyle, Neil
Crausby, Mr David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danzuk, Simon
David, Wayne
Davies, Geraint

Division No. 60] [4.57 pm

AYES

Abbot, Ms Diane
Abrahams, Debbie
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Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
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Blackman, Kirsty
Blackman-Woods, Dr Roberta
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Brock, Deidre
Brown, Alan
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
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Burgon, Richard

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Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

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Steve Brice and Andrew Griffiths

Noes

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Campbell, Mr Ronnie
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Carswell, Mr Douglas
Champion, Sarah
Chapman, Jenny
Cherry, Joanna
Clegg, rh Mr Nick
Ciwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cowan, Ronnie
Coyle, Neil
Crausby, Mr David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danzuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debbonaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dougher, Michael
Durkan, Mark
Eagle, Ma Angela
Eagle, Maria
Edwards, Jonathan
Eldford, Clive
Elliott, Julie
Elliott, Tom
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrell, Paul
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh Ms Harriet
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendy, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hillier, Meg
Hodgson, Mrs Sharon
Hollem, Kate
Hopkins, Kelvin
Hosie, 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
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinahan, Danny
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, Mr David
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, rh Mr Ivan
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
MacNeil, Mr Angus Brendan
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Maholtra, Seema
Mann, John
Marr, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Meams, lan
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Morden, Jessica
Mulholland, Greg
Mullin, Roger
Murray, lan
Nandy, Lisa
Newlands, Gavin
Nicolson, John
O’Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Poulton, 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
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Shuker, Mr Gavin
Skinner, Mr Dennis
Slaughter, Andy
Smeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Jeff
Smith, Nick
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Tellers for the Ayes:
Sue Hayman and Holly Lynch

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Arger, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, rh Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brookshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, John
Stuart, rh Ms Gisela
Tami, Mark
Thewliss, Alison
Thomas, Mr Gareth
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Elidith
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Wright, Mr Iain
Zeichner, Daniel

Burt, rh Alistair
Cairns, rh Alan
Cameron, rh Mr David
Campbell, Mr Gregory
Carmichael, Neil
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
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
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donelan, Michelle
Dorries, Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Amendments made: 132, page 26, line 25, leave out “December 2016” and insert “April 2017”.

Amendment 133, page 26, line 30, leave out “December 2016” and insert “April 2017”.

Amendment 134, page 26, line 32, leave out “December 2016” and insert “April 2017”.—(Jane Ellison.)

Clause 18

EMPLOYMENT INCOME ALLOWANCE PROVIDED THROUGH THIRD PARTIES

Clause 19

STANDARD LIFETIME ALLOWANCE FROM 2016-17

Amendments made: 146, page 27, line 7, leave out “(4)” and insert “(4A)”.

Amendment 147, page 28, line 2, at end insert—

'(4A) After subsection (5E) insert—
(5F) Where—
(a) benefit crystallisation event 5C occurs by reason of the
designation on or after 6 April 2015 of sums or assets
held for the purposes of an arrangement relating to
the individual, and
(b) the individual died before 6 April 2012,
the standard lifetime allowance at the time of the benefit
crystallisation event is £1,250,000.
(5G) Where—
(a) benefit crystallisation event 5C occurs by reason of the
designation on or after 6 April 2015 of sums or assets
held for the purposes of an arrangement relating to
the individual, and
(b) the individual died before 6 April 2012,
the standard lifetime allowance at the time of the benefit
crystallisation event is £1,500,000.
(5H) Where—
(a) benefit crystallisation event 5C occurs by reason of the
designation on or after 6 April 2015 of sums or assets
held for the purposes of an arrangement relating to
the individual, and
(b) the individual died before 6 April 2012,
the standard lifetime allowance at the time of the benefit
crystallisation event is £1,800,000.
(5I) Where—
(a) benefit crystallisation event 5D occurs by reason of a
person becoming entitled on or after 6 April 2016 to
an annuity in respect of the individual, and
(b) the individual died in the period consisting of the tax
year 2012-13 and the tax year 2013-14,
the standard lifetime allowance at the time of the benefit
crystallisation event is £1,500,000.
Amendment 148, page 28, line 10, at end insert—
“(5A) After subsection (3A) insert—
“(5B) In subsection (3A), any reference to a thing which may
done on 7 days’ notice includes a case where that thing may be
done—
(a) on less than 7 days’ notice, or
(b) without notice.”
(6) In subsection (5)—
(a) after paragraph (b) insert—
“(ba) amend or repeal subsection (3B) in consequence of
any provision made under paragraph (b);”;
(b) in paragraph (c) for the words from “made by” to
“(3A)” substitute “falling within subsection (3A) may
be held by the company”.—(Jane Ellison.)

Schedule 1

ABOLITION OF DIVIDEND TAX CREDITS ETC
Amendment made: 138, page 323, line 35, at end insert—
“(iii) in Type 4 (tax charged at basic rate as a result of
section 491), omit “at the basic rate”, and”.—
(Jane Ellison.)

Schedule 17

AQUA METHANOL ETC
Amendment made: 139, page 547, line 31, leave out
“1 October” and insert “14 November”.—(Jane Ellison.)

Mr Speaker: Our consideration having been completed,
I shall now suspend the House for no more than five
minutes in order to make a decision about certification.
The Division bells will be rung two minutes before the
House resumes. Following my certification, the Government
will table the appropriate consent motion, copies of
which will be made available in the Vote Office and will
be distributed by Doorkeepers.

5.10 pm
Sitting suspended.

5.15 pm
On resuming—

Mr Speaker: I can now inform the House that I have
completed certification of the Bill, as required by the
Standing Order. I have confirmed the view expressed in
my provisional certificate issued on 5 September. Copies
of my final certificate will be made available in the Vote
Office and on the parliamentary website.

Under Standing Order No. 83M, as modified by
Standing Order No. 83S, a consent motion is therefore
required for the Bill to proceed. Copies of the motion
are available in the Vote Office and on the parliamentary
website, and have been made available to Members in
the Chamber. Does a Minister intend to move the
consent motion?

The Lord Commissioner of Her Majesty’s Treasury
(Stephen Barclay) indicated assent.
The House forthwith resolved itself into the Legislative Grand Committee (England, Wales and Northern Ireland) (Standing Order No. 83M).

[**NATASCHA ENGEL in the Chair**]

5.16 pm

**The Second Deputy Chairman of Ways and Means (Natascha Engel):** I remind the Committee that although all Members may speak in the debate, only Members representing constituencies in England, Wales and Northern Ireland may vote on the consent motion.

Resolved,

That the Committee consents to the following certified clauses and schedules of the Finance Bill:

Clauses 126 to 132, 141 and 142 of, and Schedule 16 to, the Bill as amended in Committee and Public Bill Committee (Bill 47).—(Jane Ellison.)

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

The Deputy Speaker resumed the Chair; decision reported.

5.18 pm

**Jane Ellison:** I beg to move, That the Bill be now read the Third time.

I remind the House just how important the measures contained in the Finance Bill are for the success and prosperity of people in this country. It is about putting more money back into the pockets of all the people who work so hard but sometimes struggle to make ends meet. It is about helping our businesses to grow and succeed, to invest and create jobs, and it is about protecting the nation’s finances by taking action to stop any individuals or businesses that seek to evade or avoid tax.

The Bill has been thoroughly debated for weeks, including with me as the Minister during the past two days. I therefore want to take a moment to thank hon. Members on both sides of the House for their excellent scrutiny of it and for the insightful and wide-ranging debate that has taken place during its passage through the House.

It is worth noting a couple of breakthroughs for which the Bill will be long remembered. The first is the amendment that was moved last night by the right hon. Member for Don Valley (Caroline Flint) on public country-by-country reporting, which the Government supported. The welcome degree of cross-party consensus cemented the UK’s position of international leadership on this issue. It is also worth noting the long and successful campaign by the hon. Member for Dewsbury (Paula Sherriff) and others that has brought significant progress on the issue of VAT on sanitary products.

There are a number of other important measures, some of which we have debated today, and we have made important Government amendments to ensure that things work as they should.

I pay particular thanks to my predecessor, my right hon. Friend the Member for South West Hertfordshire (Mr. Gauke), for his excellent work. Indeed, he did the lion’s share of the work in steering the Finance Bill through each of its stages. I also thank my hon. Friends the Members for East Hampshire (Damian Hinds) and for West Worcestershire (Harriett Baldwin) for setting out the Government’s case at different stages. I express my general appreciation to all hon. Members who have contributed to the Bill.

The Bill means that we will do more to help hard-working individuals and families, more to help businesses large and small, and more to safeguard the nation’s finances. Above all, it will ensure that we move forward into the new future from a position of financial strength in our economy. I therefore commend it to the House.

5.21 pm

**Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP):** I pay tribute to the Financial Secretary for the way in which she has led the final stages of the Bill and to the hon. Member for Salford and Eccles (Rebecca Long-Bailey), who has led for the Opposition. She took over in difficult circumstances and has handled it with great composure and competence.

It is clear to many people in the Commons today that this is a right bouchach of a Bill, as we would say in Scotland. Not long after the Government voted down the SNP’s new clause on Scottish limited partnerships last night, the distinguished commentator and author Ian Fraser took to Twitter to say: “Now we know @theresa_may’s pledge to ‘reform capitalism’ was so much hot air”.

Indeed it was hot air. The only people smiling as a result of the Government’s opposition to our new clause are the criminals and tax evaders who will benefit so much from it.

The Government’s opposition to our new clause on oil and gas, which like our new clause on Scottish limited partnerships had much external support as well as support in the House, shows that they are ill fitted to lead the oil and gas sector into the future. It does not end there. The Government continue to victimise Scotland’s emergency services in respect of VAT, to press ahead with reforms that are compromising the provision of affordable private sector rented accommodation and to ignore the harm they are doing to micro and small businesses with their so-called tax reforms. The list could go on. It becomes clear that the SNP will oppose the Bill.

5.23 pm

**John Redwood:** A great deal has happened politically since the March Budget and during the passage of the Finance Bill. Therefore, on Third Reading, when we are invited to consider the Bill in the round, we should ask ourselves how this set of composite tax measures and forecasts for revenues and budget deficits fits into what the Bank of England thinks is a rather revised picture today, although its gloom is probably exaggerated.

We also had a very significant event from the Government themselves over the summer recess, which has not been reported to this House or debated in this House, but which should not go without comment: the Chancellor of the Exchequer gave his consent for the creation of up to £170 billion of additional money and for the Bank of England to buy large quantities of Government debt and substantial quantities of corporate debt, making available a lot of cheaper money to the banks. As a result of that needless monetary relaxation—there was absolutely no evidence at the time that the economy had
suffered an output or retail sales shock in the way that the Bank foolishly thought was happening—we see that interest rates have been driven down. In particular, longer-term interest rates, which are the Government's price of borrowing, have been driven down, and so we now must imagine that the Budget arithmetic has changed quite a lot in a very favourable direction, as there is now presumably a substantial reduction in the forecast interest rate costs for Her Majesty's Government over the balance of this year and into the next financial year, assuming that those programmes of aggressive bond buying continue to depress the rates in the way that is clearly planned.

At some point the Government need to explain why they endorsed the Bank of England's very aberrant view. The Government's forecasts for the economy, which are the thought behind this perfectly sensible Budget that we are in the process of approving, look forward to the UK economy growing by 2% this year and by 2.2% next year. The Bank of England now says that the British economy will grow by only 0.8% next year. I have no idea why the Bank thinks that, but it would of course change the arithmetic, and instead of our welcoming this Budget with an even smaller deficit, because of yield compression and cheaper borrowing, we should be worrying at this juncture about the shortfall in revenues next year on the back of a much-revised Bank of England forecast. Clearly revenues will be down by quite a lot next year if growth is to be only 0.8% rather than the 2.2% that was the premise of this Budget.

I fully support the Treasury's March view. It is extremely likely that the British economy will grow by 2.2%. I do not have my own model but I understand how the Treasury model works and I do not think that the underlying assumptions behind the model for the March forecast were unrealistic. I do not think that they have fundamentally changed as a result of the events of the summer, with, perhaps, the one exception that if the Bank perseveres with injecting anything like £170 billion into the economy, growth could be even better than the Government were expecting, because that is a far bigger monetary stimulus than they clearly had in mind when they constructed the March Budget.

The Bank of England needs to be careful. One of the curious things about the timing of its decision was that it made that announcement before we saw the real economy figures for the first eight weeks after the Brexit vote. Those figures turned out to be perfectly reasonable. They were not negative in the way that the Bank had thought. The Bank also made the injection of money just after some very important figures came out, ones that it had obviously read in a different way from me.

If we read the money supply growth figures and credit growth figures for the second quarter of the current calendar year, we will see that they started to accelerate. We had pretty steady 5% growth for quite a long period, which was giving us a combination of low or no inflation and 2% or so growth, but then those figures suddenly accelerated to around 7% or 8%. It is therefore even more bizarre that, on the back of those numbers, the Bank of England should suddenly decide to try to pump so much money into the economy, at a point where it looked as if the commercial banking system was sufficiently strong and confidence had returned sufficiently to mean an even faster rate of money growth than the one that was achieving 2% growth overall.

I am not suggesting that we need to drop this Budget because of that very large monetary stimulus, but the House should be aware that a very large monetary stimulus has been added at exactly a point where we had a perfectly sensible Budget based on perfectly sensible assumptions. The Government also need to be very careful before authorising any further monetary stimulus given what look like perfectly satisfactory numbers.

How could the Bank be that wrong—it is quite difficult to understand—and why did the Government endorse its strange interpretation? It says two things. It says that a Brexit vote could damage trade. Well, the one thing we seem to know from the very relaxed timetable the Government are proposing for getting us out of the EU is that in all probability we are going to be trading under existing single market arrangements this year and next year. There will not, therefore, be any damage to trade. I do not think there will be any damage to trade when we are out, but we are going to be trading under the current arrangements for the forecast period, so it is very difficult to see why we would knock anything off GDP because of trade. Indeed, we should be adding quite a lot in relation to trade, because clearly exports will rise quite a lot on the back of a much weaker pound.

The other thing it says is that there will be an effect on confidence. We have seen from recent surveys that there was a very short term hit to the confidence of big business executives who did not like the result of the referendum, but there was no hit to the confidence of consumers. They went out and spent more in the shops immediately after the Brexit vote than they were spending before. We saw, in the following month, that many senior company executives regained a lot of their lost confidence because they saw they were wrong and that the customers were returning to, or staying in, the shops. They are buying cars and new houses. Confidence has not collapsed, something the banks seemed to think would happen.

I urge those on the Treasury Bench to think about these matters extremely carefully. The very long procedure on the Finance Bill means that, in all probability, we are approving a Bill that was constructed in what the Bank of England thinks were very different economic times. I think the economic forecast and the economic times of March are very similar to the ones we should now accept, and I urge the Government to take that view. The House needs to note, if it is the view of the House, that on top of a Budget that has a reasonably relaxed fiscal stance compared with intentions a few years ago—something I am quite happy with—we now have a very large monetary injection. The Government need to be aware of what that might mean.

Rebecca Long Bailey: I thank the Minister and her Treasury colleagues, past and present, for their progress of the Bill through the House. I thank my own shadow Treasury colleagues, past and present, for their hard work in holding the Government to account. I thank my shadow Treasury team staff for their hard work on the Bill in the incredibly tight times in which we have found ourselves. The Clerks deserve a mention for being pestered every five minutes by members of my staff—indeed, by the staff of other hon. Members, too. I make special
mention of all Members who have worked very hard on the Bill and participated in a number of extremely thoughtful and interesting debates.

The Opposition will not be supporting the Bill on Third Reading. Although it contains some measures that we support, we simply cannot vote in favour of a Bill that does nothing to address the underlying issues in our economy. It has unfairness at its very core. I will, however, run briefly over the areas where we have found some consensus across the House.

First, there is the need to zero-rate VAT on women’s sanitary products. Many Members across the House spoke in support of this yesterday. I appreciate the Government’s sympathy with the campaign by my hon. Friend the Member for Dewsbury (Paula Sherriff). I place on record again my congratulations to my hon. Friend who, along with many women outside this place, has campaigned tirelessly on this issue. Unfortunately, we still had to divide the House, as the Minister refused to put down a firm date for implementation of the zero rating. I hope the policy will not be kicked into the long grass once the Bill has completed its passage through Parliament. I know the Minister supports the general principle of the policy and I am sure that my hon. Friend the Member for Dewsbury will be very quick to call the Government out should they try to avoid taking this matter forward responsibly.

We have also found a broad level of agreement on country-by-country reporting. I am pleased that the Government saw fit to accept the amendment tabled by my right hon. Friend the Member for Don Valley (Caroline Flint). Again, I put on record my thanks and congratulations to my right hon. Friend for her hard work and determination on this issue. The amendment stated that the Government “may” exercise their powers in this regard. However, I hope that the Government “will” exercise their powers in that regard, and I shall follow their progress very closely.

We support the Government’s steps towards closing the so-called Mayfair tax loophole, even though they did not accept our amendment to provide that all carried interest would be subject to income tax—but that, unfortunately, is where the consensus ends.

One of the biggest problems facing the economy at the moment is low rates of investment. Investment by businesses has already fallen for the last two quarters and investment by Government is scheduled to fall in every year of this Parliament. Overall investment as a share of GDP is lower now than it was in 2007—despite rising profits to companies and an all-time low cost of borrowing for the Government.

The Government maintained in yesterday’s debate that cuts to the headline rates of corporation tax and capital gains tax contained in the Bill would incentivise business investment, but they did not convince me or my hon. Friends that that would actually be the case. When we debated the cut to corporation tax yesterday, I provided some helpful figures to demonstrate that it is not the cuts that are needed, but that the country desperately needs. For the benefit of Members who were not in the Chamber yesterday, I shall briefly recap.

The House of Commons Library analysis shows that business investment was higher in the year 2000 when corporation tax was at 30% than it was in 2015 when it was a full 10% lower. There is no obvious correlation between a low rate of corporation tax and high rates of business investment. Furthermore, corporations are not in need of cash in most cases. Figures provided by the House of Commons Library show that the UK corporation industry was sitting on cash reserves totalling £581 billion last year, so something is clearly precluding them from investing in the future. Frankly, the measures in this Bill will do nothing to change that behaviour.

Because of this lack of investment, productivity in the UK has fallen. Every hour of work in Britain produces one third less than every hour worked in Germany, the US or France, while real wages have fallen by 10% since 2008. That is simply not good enough—it is not good enough for British workers; it is not good enough for the economy; and it is not good for our sense of national pride. We need investment in infrastructure, in skills, in innovation and in industry. Labour is committed to providing £500 billion-worth of investment: £250 billion will be Government capital spending; and £250 billion will come from the national investment bank.

The national investment bank, along with regional banks, would transform regional economies and rebuild our financial system. Government capital expenditure would be used to improve vital infrastructure such as transport, housing and energy supply. Those are the kind of policies that businesses need to thrive, and I hope that the Government will consider them. They have not put such policies into the Finance Bill, but they have the power to put them into further pieces of legislation as this Parliament progresses.

The Bill fails to address the long-term pressures facing the UK’s energy supply industry and fails to deliver on our climate change targets, as agreed just a few months ago by the right hon. Member for Hastings and Rye (Amber Rudd), now the Home Secretary. The renewable energy sector, as we heard in the previous debate, has been consistently undermined by this Government, and the Bill before us today does nothing to provide the stability or support that this industry craves.

Earlier today, we debated a specific amendment on the VAT treatment of energy-saving materials in the hope that the Government would make it clear in statute that the proposed solar tax hike would not go ahead. Unfortunately, the Government would not agree to our new clause and as such the insecurity for this industry continues. Furthermore, the Bill still makes sweeping changes to the climate change levy, which could seriously undermine its efficacy. In Committee of the whole House, we tabled an amendment calling for a review of the impact of the climate change levy on carbon emissions, but we were unfortunately defeated in the Lobbies. The change will go ahead with no assessment of whether the somewhat altered levy will do its job. That, too, is just not good enough from the British Government.

Over the weekend, we saw China and the United States ratify the Paris climate deal. Together they are responsible for 40% of the world’s carbon emissions, so that marks a huge step forward in climate change responsibility. Our Government, however, have not ratified
the treaty, and have rowed back on almost all their green commitments since the election. I will not list them again, as it is an extensive list, but the Bill does nothing to tackle the issue of climate change head on, and, we believe, weakens measures that are already in place.

As for the key issue of tax avoidance, I must reiterate our view that the Government’s piecemeal approach of slowly introducing new little schemes and penalties is simply not enough. As I said yesterday, we need to see real commitment to an overarching strategy that provides genuine “legal teeth” to tackle the tax avoidance industry. At a time when our public services are tearing at the seams as a result of increased demand and a lack of resources, it is not acceptable for people to be allowed to avoid paying their taxes. It is time for tax avoiders to understand that being part of our society means paying one’s fair share towards the upkeep of that society. Labour has set out its stall with its tax transparency and enforcement programme, much of which was reflected in the amendments that we tabled yesterday. I hope that the Minister took some of our suggestions on board.

It is disappointing, to say the least, that the Government did not see fit to accept our new clause proposing a wide-ranging review of the UK tax gap and its causes. They have to appreciate that we must design a system that will really challenge the tax avoidance industry. We must overhaul our tax laws so that they are based on broad principles that will make avoidance difficult. A full public inquiry would expose the perversity of the industry, and would signal to the world that we are serious about stamping out tax evasion and avoidance wherever they may flourish.

Let me end by saying this. Labour wants to build a high-investment, high-wage economy. It wants to build an economy that will allow the UK to be a country of the future, leading the way on research and innovation; an economy in which everyone pays their fair share, and support is provided for those who need it; an economy and a society of which the British people can be proud. However, that can be done only with a Government who are committed to making it happen. We do not believe that the Bill will achieve those goals, and we will therefore vote against it this evening.

Question put, That the Bill be now read the Third time.

The House divided: Ayes 303, Noes 250.

Division No. 61

AYES

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
Baron, Mr John
Barwell, Gavin
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alan
Cameron, Mr Mr David
Campbell, Mr Gregory
Carmichael, Neil
Cartidge, James
Cash, Sir William
Caufield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleaverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorries, Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evannett, rh Mr David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Fuller, Richard
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh 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
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Gummer, rh Ben
Gyimah, Mr Sam
Hallon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hermon, 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
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jenkin, Mr Bernard
Jenrick, Robert
Johnson, Gareth
Johnson, Joseph
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kinahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, rh Dr Julian
Liddell-Grainger, Mr lan
Liddington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Loughton, Tim
Lumley, Karen
Macinlay, Craig
**Ahmed-Sheikh, Ms T asmina**

**Abrahams, Debbie**

**Abbott, Ms Diane**

**Selous, Andrew**

**Rutley, David**

**Rudd, rh Mr Patrick**

**Menzies, Mark**

**Mercer, Johnny**

**Merriman, Huw**

**McLoughlin, rh Mr Andrew**

**Sandbach, Antoinette**

**Rosindell, Andrew**

**Robinson, Mary**

**Robinson, Gavin**

**Rees-Mogg, Mr Jacob**

**Redwood, rh John**

**Raab, Mr Dominic**

**Murrison, Dr Andrew**

**Morton, Wendy**

**Mowat, David**

**Munday, Mrs Sheryll**

**Morgan, rh Mr Andrew**

**Morris, David**

**Morris, James**

**Milton, rh Anne**

**Mitchell, Mr Andrew**

**Morgan, rh Nicky**

**Morris, David**

**Morton, Wendy**

**Mowat, David**

**Mundell, rh David**

**Murray, Mrs Sheryll**

**Munro, Mr Andrew**

**Neill, Robert**

**Newton, Sarah**

**Nokes, Caroline**

**Norman, Jesse**

**Nuttall, Mr David**

**Oford, Dr Matthew**

**Opperman, Guy**

**Osborne, Mr George**

**Paisley, Ian**

**Parish, Neil**

**Paterson, rh Mr Owen**

**Pawsey, Mark**

**Penning, rh Mike**

**Percy, Andrew**

**Perry, Claire**

**Phillips, Stephen**

**Philp, Chris**

**Pickles, rh Sir Eric**

**Pitfield, Christopher**

**Porritt, Dr Daniel**

**Pow, Rebecca**

**Prentis, Victoria**

**Prisk, Mr Mark**

**Pritchard, Mark**

**Pursglove, Tom**

**Quin, Jeremy**

**Quince, Will**

**Raab, Mr Dominic**

**Redwood, rh John**

**Rees-Mogg, Mr Jacob**

**Robertson, Mr Laurence**

**Robinson, Gavin**

**Robinson, Mark**

**Rosindell, Andrew**

**Rudd, rh Amber**

**Rutley, David**

**Sandbach, Antoinette**

**Scully, Paul**

**Selous, Andrew**

**Shapps, rh Grant**

**Sharma, Akok**

**Shelbrooke, Alec**

**Simpson, David**

**Simpson, rh Mr Keith**

**Skidmore, Chris**

**Smith, Chloe**

**Smith, rh Mr Andrew**

**Smith, Julian**

**Smith, rh Mr Richard**

**Solloway, Amanda**

**Soubry, rh Anna**

**Spelman, rh Mrs Caroline**

**Spencer, Mark**

**Stephenson, Andrew**

**Stephenson, John**

**Stewart, Bob**

**Stewart, Iain**

**Stewart, Rory**

**Streeter, Mr Gary**

**Stride, Mel**

**Stuart, Graham**

**Sturdy, Julian**

**Sunak, Rishi**

**Swayne, rh Sir Desmond**

**Swindon, rh Mr Hugo**

**Syms, Mr Robert**

**Thomas, Derek**

**Timpson, Edward**

**Tolhurst, Kelly**

**Tomlinson, Justin**

**Tomlinson, Michael**

**Tracey, Craig**

**Tredinnick, David**

**Trevelyan, Mrs Anne-Marie**

**Truss, rh Elizabeth**

**Tugendhat, Tom**

**Turner, Mr Andrew**

**Tyrie, rh Mr Andrew**

**Vaizey, rh Mr Edward**

**Vara, rh Mr Shailesh**

**Vickers, Martin**

**Villiers, rh Mrs Theresa**

**Walker, rh Mr Andrew**

**Walker, rh Mr Charles**

**Walker, rh Mr Robin**

**Wallace, Mr Ben**

**Warburton, David**

**Warman, Matt**

**Wharton, James**

**Whately, Helen**

**Wheeler, Heather**

**White, Chris**

**Whittaker, Craig**

**Whittingdale, rh Mr John**

**Wiggin, Bill**

**Williams, Chris**

**Wilson, rh Mr Rob**

**Wood, Mike**

**Wragg, William**

**Wright, rh Jeremy**

**Zahawi, Nadhim**

**Tellers for the Ayes:**

**Steve Brine and Andrew Griffiths**

**Ashworth, Jonathan**

**Bailey, Mr Adrian**

**Bardell, Hannah**

**Barron, rh Kevin**

**Beckett, rh Margaret**

**Benn, rh Hilary**

**Berger, Luciana**

**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, rh Mr Nicholas**

**Bryant, Chris**

**Buck, Ms Karen**

**Burden, Richard**

**Burgon, Richard**

**Burnham, rh Andy**

**Butler, Dawn**

**Byrne, rh Liam**

**Cadbury, Ruth**

**Campbell, rh Mr Alan**

**Carmichael, rh Mr Alistair**

**Champion, Sarah**

**Chapman, Douglas**

**Chapman, Jenny**

**Cherry, Joanna**

**Clegg, rh Mr Nick**

**Clwyd, rh Ann**

**Coaker, Vernon**

**Cooper, rh Yvette**

**Cowan, Ronnie**

**Coyle, Neil**

**Crausby, Mr David**

**Crawley, Angela**

**Creagh, Mary**

**Creasy, Stella**

**Cruddas, Jon**

**Cryer, John**

**Cumnings, Judith**

**Cunningham, Alex**

**Cunningham, Mr Jim**

**Dakin, Nic**

**Danczuk, Simon**

**David, Wayne**

**Davies, Geraint**

**Day, Martyn**

**De Piero, Gloria**

**Debbonaire, Thangam**

**Dockerty-Hughes, rh Mr Martin**

**Donaldson, Stuart Blair**

**Doughty, Stephen**

**Dowd, Jim**

**Dowd, Peter**

**Dromey, Jack**

**Dugher, Michael**

**Durkan, Mark**

**Eagle, Ms Angela**

**Eagle, Maria**

**Edwards, Jonathan**

**Eldford, Clive**

**Elliott, Julie**

**Ellman, Mrs Louise**

**Elmore, Chris**

**Esterson, Bill**

**Evans, Chris**

**Farrelly, Paul**

**Farron, Tim**

**Fellows, Marion**

**Ferrier, Margaret**

**Field, rh Frank**

**Fitzpatrick, Jim**

**Fletcher, Colleen**

**Flynn, Paul**

**Fovargue, Yvonne**

**Foxcroft, Vicky**

**Furniss, Gill**

**Gapes, Mike**

**Gardiner, Barry**

**Gethins, Stephen**

**Gibson, Patricia**

**Glass, Pat**

**Glindon, Mary**

**Godsiff, rh Sir Michael**

**Goodman, Helen**

**Grady, Patrick**

**Grant, Peter**

**Green, Kate**

**Greenwood, Margaret**

**Griffith, Nia**

**Gwynne, Andrew**

**Haigh, Louise**

**Hamilton, Fabian**

**Hanson, rh Mr David**

**Harris, Carolyn**

**Hayes, Helen**

**Healey, rh John**

**Hendry, Drew**

**Hepburn, Stephen**

**Hillier, Meg**

**Hodgson, Mrs Sharon**

**Hollern, Kate**

**Hopkins, Kelvin**

**Hosie, Stewart**

**Hunt, Tristram**

**Huq, Dr Rupa**

**Hussain, Mr Imran**

**Jarvis, Dan**

**Johnson, rh Alan**

**Johnson, Diana**

**Jones, Gerald**

**Jones, Graham**

**Jones, Susan Elan**

**Keeley, Barbara**

**Kendall, Liz**

**Kerevan, George**

**Kerr, Calum**

**Kinnock, Stephen**

**Kyle, Peter**

**Lamb, rh Norman**

**Lammy, rh Mr David**

**Lavery, Ian**

**Law, Chris**

**Leslie, Chris**

**Lewell-Buck, Mrs Emma**

**Lewis, Clive**

**Lewis, rh Mr Ivan**

**Long Bailey, Rebecca**

**Lucas, Caroline**

**Lucas, Ian C.**

**Lynch, Holly**

**MacNeill, Mr Angus Brendan**

**MacLaggart, rh Fiona**

**Madders, Justin**

**Mahmood, Mr Khalid**

**Mahmood, Shabana**

**Mak, Mr Alan**

**Malthouse, Kit**

**Mann, Scott**

**Mathias, Dr Tania**

**Maynard, Paul**

**McCartney, Jason**

**McCartney, Karl**

**McLoughlin, rh Mr Patrick**

**Tellers for the Ayes:**

**Allin-Khan, Dr Rosena**

**Anderson, Mr David**

**Arkless, Richard**

**Abbott, Ms Diane**

**Abrahams, Debbie**

**Ahmed-Sheikh, Ms Tasmina**
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCag, Callum
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonnell, Dr Alasdair
McDonnell, John
McFadden, Mr Pat
McGarry, Callum
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonnell, Dr Alasdair
McDonnell, John
McFadden, Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Mears, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Mulholland, Greg
Mullin, Roger
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Jeff
Smith, Nick
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Stevens, Jo
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Theeliss, Alison
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wiseman, Pete
Wright, Mr Iain
Zeichner, Daniel

PETITIONS

Royal Mail delivery office in Marple

5.56 pm

William Wragg (Hazel Grove) (Con): I rise to present petitions relating to keeping Royal Mail delivery offices open in Marple and Bredbury. The two offices are currently being reviewed by Royal Mail with a view to their potential closure, yet they enable local residents to collect parcels and items of mail, provide a service that is vitally convenient and employ dozens of local people. Unfortunately, the nearest alternative facility is not in easy reach of the local population and has no direct public transport links.

Petitions organised by me and distributed throughout the area, as well as being placed online, had reached 3,105 signatures as of yesterday. The petitioners therefore request that the House of Commons urges Royal Mail to keep delivery offices open in Marple and Bredbury.

[Following is the full text of the petition:
The petition of residents of the UK,
Declares that the Royal Mail delivery office in Marple, which enables local residents to collect parcels and items of mail, provides a service that is vitally convenient; further that there is no local alternative provision of this service; and further that the nearest facility is not in easy reach of the local population and has no direct public transport links.
The petitioners therefore request that the House of Commons urges Royal Mail plc to keep a Royal Mail delivery office open in Marple.

And the petitioners remain, etc.]

Royal Mail delivery office in Bredbury

[Following is the full text of the petition:
The petition of residents of the UK,
Declares that the Royal Mail delivery office in Bredbury, which enables local residents to collect parcels and items of mail, provides a service that is vitally convenient; further that there is no local alternative provision of this service; and further that the nearest facility is not in easy reach of the local population and has no direct public transport links.
The petitioners therefore request that the House of Commons urges Royal Mail plc to keep a Royal Mail delivery office open in Bredbury.

And the petitioners remain, etc.]

Tellers for the Noes:
Jessica Morden and Sue Hayman
Oadby and Wigston Borough Council

*Motion made, and Question proposed. That this House do now adjourn.*—(Chris Heaton-Harris.)

5.58 pm

**Sir Edward Garnier** (Harrowborough) (Con): May I begin by thanking you for granting this Adjournment debate, Mr Speaker, and the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Northampton South (Clive Promey), the former Secretary of State for Communities and Local Government, and had informal discussions with them both about this council on several occasions over the past year or so.

In local government terms, apart from Leicestershire County Council, which has a county-wide remit outside the city of Leicester, I am concerned within my Harborough parliamentary constituency with Harborough District Council, which has a large Conservative majority, and Oadby and Wigston Borough Council, which has a large Liberal Democrat majority. Harborough District Council is well run and is not the subject of this debate, save in so far as it provides a marked contrast to the shambles that is Oadby and Wigston Borough Council. Walking into the offices of Harborough District Council allows one to experience a well-motivated, well-led and dedicated group of officers and staff at all levels of seniority. From the people at the reception desk to its most senior officers, despite the financial constraints that all local authorities now have to cope with, nothing is too much trouble. There is a can-do, will-do atmosphere, despite the small revenue budget of, I believe, under £10 million, its geographical size and the problems associated with rural sparsity.

In contrast, the atmosphere in the offices of Oadby and Wigston Borough Council is poisonous. It, too, has a small annual revenue budget, of about £8 million. It has an adult population of about 40,000. On Leicester's south-eastern border, although a largely white British community, the borough has within its boundaries a growing black and minority ethnic population, mostly people of south Asian descent who came here directly from India and Pakistan or via east Africa. Many Leicester children attend its excellent schools, not least Beauchamp academy, the best school of its type in the east midlands. Several of Leicester University's halls of residence are in Oadby, as are Leicester racecourse and the famous botanical gardens. Unemployment in my constituency is at or under 1%, and plenty of small to medium-sized businesses in the borough are doing well. It is, in short, a great place to live, to bring up children and to work, and there is much that its residents, my constituents, can be proud of and justifiably are. What spoils this happy picture is the borough council itself.

In 2015, nine senior members of the council's staff initiated a grievance procedure against the senior management team—the SMT. I will not tonight identify these officers by name, be they the complainants or the respondents to the grievance, because their names are not important to the points I make, but their identities, particularly those of two of the three members of the SMT, the chief executive and the director of services, are well known locally, and there is no bar that I know of on others publishing their names, subject to the ordinary laws of defamation. Of the complainants, some have resigned fearing they would not face a fair hearing under the council's internal disciplinary system, while others remain on full pay but are suspended, their work being carried out by agency or temporary staff. Some of the complainants are constituents of the hon. Member for Leicester South (Jonathan Ashworth), who is in his place.

**Jonathan Ashworth** (Leicester South) (Lab): The right hon. and learned Gentleman is making his case with typical force. Let me say to him and to the Minister that my constituents over the border in the city of Leicester are affected by this, and I entirely support the right hon. and learned Gentleman's efforts and look forward to the Minister's response.

**Sir Edward Garnier:** I am grateful to the hon. Gentleman, my parliamentary neighbour, for his intervention. I hope that between us we can persuade the Government to do something to improve the state of affairs in this borough council, he on behalf of his constituents and I on behalf of mine.

The grievance consisted of 214 separate allegations against the SMT. They were considered individually and collectively by Richard Penn, a former senior local government officer from elsewhere who was known to the SMT, but I do not suggest collusion or bias against him. He conducted two exercises: one investigated the complaints from the staff against the SMT, and the other made recommendations about the future management and leadership of the council. Although Mr Penn did not uphold any of the individual complaints, he did conclude—that must have been inevitable given the scale of the grievances laid at the door of the SMT—that they painted a picture of an organisation "riven and very adversely affected by a deep division between the SMT and a majority of the second and third tier managers".

Mr Penn concluded that the division between the SMT and the others exposed the need for the council "to take urgent action not only to heal the wounds of and behind the grievances but also to organise itself in such a way that it has the capacity and stability to face the future with confidence".

He stated that the council did not have the resource and capacity in-house to do this on its own, and that external support and assistance to both the political and officer leadership would, in his view, be necessary as part of the recovery process. Mr Penn's rejection of the 214 allegations is, I understand, to be appealed, and the complainants who have not already left the council's employment and remain suspended are to be subjected to disciplinary proceedings by the council. These personnel
problems are not helped by the council’s chief executive being on extended sick leave for a good many weeks this year. I hope he is now restored to good health.

It is my view that Mr Penn, because he is cautious and wanted to find or promote solutions, used language and a tone in both of his reports that, to someone not familiar with the council, masked the serious nature of his findings about the quality of the managerial and political leadership of the council. My duty is to protect the interests of my constituents, all of whom deserve a functioning, effective, efficiently run and focused council that can organise itself, manage its finances and provide the requisite public services, rather than the internal squabbling and incompetence they have had to put up with over the last few years.

I had become used to getting slow and indifferent service from the council as regards replies to constituency correspondence. To be fair to the chief executive, he asked that all correspondence from me should be addressed to him so that it could be more efficiently dealt with, but I did not realise quite how appalling the state of the council was until the night of the May 2015 general election.

The election count is held in the borough. Apart from my first general election for Harborough in 1992, when the count took place on the Friday morning after the election of Thursday 9 April, all subsequent counts have been done overnight. As a rule, the result is declared between 3 and 4.30 am. In May 2015, it was not declared until nearly 9 o’clock on the Friday morning. It became clear during the early hours of the morning to all the candidates, the press, and the high sheriff, who was the returning officer—and indeed, to most of us in the hall—that the chief executive had failed to organise the counting staff and set in place systems to get the count dealt with expeditiously. One senior staff member at the count walked out as dawn approached and resigned, and others were trying to sort out what can only be described as a total farce. There was an air of sullen rebelliousness in the room among the counting staff.

The chief executive failed to demonstrate the leadership required on that occasion, but, as I later discovered, the state of personnel relations within the council was already bad and getting worse. The staff were having trouble getting the paper records of the ballot boxes and the votes counted uploaded on to the computers. In the end, the high sheriff, a man of almost limitless patience, and I, someone of less Christian forbearance, told the chief executive to give us the result on paper and forget his computers so we could all go home.

I cite this not because of any inconvenience I suffered, but because it starkly and publicly illustrated the shambolic nature of the internal workings and poisonous personal relations in the council. I have subsequently learnt that the SMT had a mole in the complainants’ group who was making secret recordings of their private conversations and handing them to the SMT. Quite apart from being underhand and possibly criminal, it can reasonably be inferred that the SMT or a member of it was aware of this person’s activities and, indeed, authorised them.

I have also seen documents that indicate that Mr Penn knew of these secret recordings, although so far as I can tell he was the passive recipient of the information and I cannot form a judgment about how they affected his conclusions, if at all. He did not, though, from memory, disclose in his reports that he had seen evidence of those secret recordings or received emails from the mole. If I am wrong about that, I will correct it.

Just some of the complaints made and then considered by Mr Penn, albeit rejected as matters of detail, can be briefly summarised as follows: there was no clear direction or leadership from the SMT, and there was little or no communication between the SMT and the rest of the council, particularly about what was or was not possible during the coalition Government’s comprehensive spending review. I am not concerned this evening about the truth or the falsity of the allegations and am in no position to judge that one way or another, even if I do have criticisms of the somewhat cursory approach that Mr Penn appears to have adopted, judging from the terms of his first report. But that 214 allegations were made and required Mr Penn to consider them is evidence of a council in poor health and, as the saying goes, a fish rots from the head.

On 16 January 2016, in response to Mr Penn’s reports, the borough council’s newly created change management committee agreed a 15-point plan for immediate action to rectify the problems, most of which can only be described as a précis of the blindingly obvious and things that should be second nature to any half-competent councillor or council officer. This House is entitled to ask why on earth they were not being done already. The committee also decided on a plan for further review of the implementation of the cultural changes and lessons required, consisting of planning the way forward, staff involvement, the role of leadership, employee buy-in, infrastructure, capabilities and measuring success. This House is entitled to ask why such obvious management tools were not in place already and why it took 214 complaints, two reports from Mr Penn and the suspension of the nine complainants to achieve so little at vast public expense.

To take just four suspended complainants, their absence, in one case from June 2015 and in three cases from November 2015, has cost over £215,000 in salaries alone, and their agency replacements will add to that figure. One temporary staff member has cost nearly £55,000 in financial years 2015-16 and 2016-17 for a two to three-day week. By December 2015 the council had spent £107,000 on the investigation and approved a further £100,000, money presumably spent and to be spent on Mr Penn’s services via the Local Government Association, on the fees of outside solicitors, on monitoring services provided by Leicestershire and Cambridgeshire county councils and by Mr Quentin Baker of LGSS, a firm linked to Cambridgeshire and Northamptonshire county councils, and on a former employee of the Crown Prosecution Service instructed to consider the evidence necessary to support the disciplinary proceedings, as well as on other temporary staff.

As this farce continues, it is surely reasonable to hazard a guess that the total sums expended and to be expended could be as much as £500,000 which, when compared with the small size of the council’s revenue budget, is nothing short of a scandal. There is plenty more that could and should be said about the conduct of certain councillors from the majority group towards members of staff and opposition councillors, but time alone prevents me from dealing with that. Suffice it to say that the evidence I have seen does not make for pretty reading.
In the light of the facts as I know them to be, I now ask the Government urgently to appoint commissioners or other competent officials to go into the council and get it sorted out, or to discuss with the county council in Leicestershire or the borough’s neighbouring district councils how they can take over the management of this borough council. I make no party political complaint about the council’s majority or its leader. If the residents of Oadby and Wigston want to elect Liberal Democrat councillors, they are free, if unwise, to do so, and if a Conservative council behaved like this I would say the same, but the council leader and his councillors have either been wilful participants or asleep at the wheel and must take responsibility for the shambolic state of the council and its administrative leadership.

I am sorry to say it, but failure, mismanagement and incompetence on this scale within the council now requires decisive action from the Minister’s Department, as well as the resignations of the council’s leader and certain senior members of its staff. It is time to give back to the residents of the borough a council that works for them. Doing nothing is not an option and I earnestly invite my hon. Friend to take action without delay.

6.14 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): First, I congratulate my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) on securing this important debate. We have, as he said, spoken and corresponded about Oadby and Wigston Borough Council on a number of occasions, and it is clear from our discussions and correspondence that he has a great passion for his constituency and the interests of the people he represents. I am certainly grateful to him for giving me the opportunity to discuss such an important issue. Local government delivers essential services to some of society’s most vulnerable people, and it is therefore vital that it operates effectively.

I wish to begin by setting out the context and emphasising that local government normally functions well. There are many examples of excellent and innovative practice to be found across all types of councils. Councils are held to account through an effective system of local accountability, and where they do require help or advice, sector-led support is available.

As my right hon. and learned Friend will be aware, local government is independent of central Government. Through elected councillors—and, where applicable, mayors—councils are accountable to the communities that they serve through the ultimate sanction of the ballot box. On hearing what he has had to say today, I am sure that many of his constituents will be thinking about how their council has been run, and is currently run, and will look at that accordingly when they make their choice next time at the ballot box.

Since 2010, town hall transparency has been improved by new rules requiring councils to make public a written record of all major decisions. The public also have the right to film, audio-record, take photographs and use social media to report the proceedings of public council meetings. The introduction of the local government transparency code in 2015 requires all authorities to publish certain data about their resources and expenditure. That makes it easier for local people to act as armchair auditors and hold their councils to account. In addition, councillors hold regular surgeries with local residents, councils conduct consultations on their policies and budgets, and the activities councils undertake are subject to external scrutiny in the form of an annual external audit.

The Local Government Association provides external challenge and targeted sector-led support where it is needed. For 2016-17, my Department has given the LGA £21.4 million so that it can provide training and support for members and officers. The LGA provides policy briefings and arranges peer support from other local authorities. Options include one-to-one mentoring for elected leaders, corporate peer challenges and additional targeted support where it is required. The LGA also has an overview of performance in the sector. That enables it to offer support on a proactive basis to councils that appear to be facing challenges.

Only as a last resort would the Secretary of State for Communities and Local Government use his powers of intervention, and only where there is comprehensive evidence of extremely serious and widespread systemic failings in a council would that be the case. Statutory interventions are rare: the powers have been used only twice in the last five years, and only six times in the last 15 years.

As my right hon. and learned Friend will be aware, the Communities and Local Government Committee recently reported on our interventions in Tower Hamlets and Rotherham, and it agreed that our interventions in both those authorities had been justified. It also emphasised that removing control from democratically elected representatives is an extremely serious decision.

I will now turn to Oadby and Wigston Council itself. The authority has certainly had its challenges. In particular, there have been serious divisions between the senior management team and other officers. It is, however, currently benefiting from sector-led support, and I expect to see significant improvements with the council.

As my right hon. and learned Friend correctly said, a collective grievance was submitted by nine members of staff in May 2015. The council worked with the LGA and appointed an independent investigator, Richard Penn. Mr Penn is a former local authority chief executive with many years of experience as an independent investigator. He concluded that the 214 allegations that made up the collective grievance were unfounded. He found that

“Oadby and Wigston Borough Council is in many respects a well-performing organisation that punches above its weight”. He provided evidence to support this, including that the council has met all its statutory targets and indicators; completed several major regeneration schemes, including in the town and parks; improved its leisure offer; and redesigned its customer service experience.

Mr Penn did not, however, give the council a clean bill of health. In a supplementary report on the organisational issues arising from his initial investigation, he found that there were

“deep divisions between the Senior Management Team and the officers who took out the collective grievance”.

I am sorry to say it, but failure, mismanagement and incompetence on this scale within the council now requires decisive action from the Minister’s Department, as well as the resignations of the council’s leader and certain senior members of its staff. It is time to give back to the residents of the borough a council that works for them. Doing nothing is not an option and I earnestly invite my hon. Friend to take action without delay.
It was his view that the council needed to take
"urgent action in order to tackle the major challenges of not only
'healing the wounds' but also of ensuring that the Council has the
organisational capacity and stability to face the future with
confidence."

I consider it essential that the council take immediate
action to address these issues, as it is imperative that
management issues should not be allowed to impact on local
service delivery and the services that are provided
to my right hon. and learned Friend's constituents.
In March this year, I wrote to the leader, Councillor Boyce,
highlighting my concerns and emphasising the importance
of working with the LGA to take effective remedial action.

I am pleased to see that since Mr Penn's report Oadby
and Wigston has worked closely with the LGA. The
LGA has met the section 151 officer, the chief executive
and the change management committee on multiple
occasions. The council has been supported to understand
the issues faced, and an action plan has now been agreed.

Sir Edward Garnier: Am I not right in thinking that
the section 151 officer is one of the temporary staff—the
agency staff—brought in? This exemplifies the problem
that I am facing. I really do think we need to be quite
serious about requiring the borough council not to
allow this just to drift on and drift on, and to fob us off
with mealy-mouthed responses. We have to focus laser-like
on this council, because otherwise it will just go on and
on misconducting itself.

Mr Jones: I thank my right hon. and learned Friend
for his intervention. The Department takes this situation
absolutely seriously. I hope that he will be assured from
the comments that I am about to make that we will
continue to take the situation extremely seriously and to
monitor how the work that Oadby and Wigston is
undertaking with the LGA pans out and how it improves
governance of the council.

The action plan includes the following: achieving
cultural change in the council, ensuring effective
prioritisation, improving ways of working, and improving
understanding of officer and member roles and
relationships. There are clearly areas where the council
must improve, and this plan sets out the improvement
journey that the council now absolutely needs to make.
I expect the council to implement it fully and effectively.
I understand that the LGA is running a programme of
sessions with members and officers, separately and together,
this autumn. These will cover all elements of the plan,
although they will, in particular, ensure that members
and officers understand their roles and how to work
effectively.

The LGA now considers that Oadby and Wigston
has a thorough understanding of what happened
and what it needs to do to put it right. The council's external
auditor, KPMG, has also been kept informed, and it
does not feel that there are currently any matters that
warrant further scrutiny from an audit perspective. It is
important that the council continues to keep its auditors
informed as it works to implement its improvement plan.

The LGA will also work with Oadby and Wigston to
conduct a peer review, whereby officers and members of
another authority will provide challenge and share learning.

That is something that I have strongly encouraged. The
peer review should consider whether the council has
made sufficient progress against its improvement plan. I
will take a keen interest in the findings of the peer
review, and I encourage the council to make those
findings publicly available.

Indeed, I expect the council not only to take steps to
address the challenges that it has faced, but to reassure
the public that its problems are in the past. The council
must act in an open and transparent way, if it is to be
properly accountable to the community that it serves.
Wherever possible, the council should make available
details of the problems it has faced, the action it has
taken to address those challenges and the progress
made. Oadby and Wigston has certainly had its challenges.

Sir Edward Garnier: My hon. Friend is being extremely
generous in giving way; there is nothing more tiresome
than busy little Back Benchers who jump up and down
all the time. What is the timetable that he has set himself
and the council so that he will be able to measure
whether there has been any change in the conduct of its
administration? Saying, "We hope that the following
things will happen," is good, but unless that is done by a
given date and it is required to report to my hon. Friend
and the Department, things will drift and I cannot
afford to see that happen.

Mr Jones: My right hon. and learned Friend should
not think that being a busy little Back Bench is a bad
thing. In fact, in this case it is extremely important,
because he has raised an extremely important issue. He
makes a very important point that this is about not just
warm words, but making sure that the issues that the
council has faced and the remedial action taken to deal
with them are followed through. In that context, I need
only to refer to the action that the Department took in
relation to Rotherham Council. The Audit Commission
produced several reports on the council and the local
authority responded with warm words, but the actions
suggested by the reports were not followed through
properly. Subsequently, Rotherham Council found itself
in an untenable position whereby the Department—this
is very rare—decided that intervention was necessary.
I say to my right hon. and learned Friend that I will be
watching the situation extremely closely.

On timescales, at this point I am content to see the
work with the LGA undertaken, but I will not be
content if significant progress is not made. I think that
this debate will make the council fully aware of that. As
I said at the outset, local government must maintain its
independence from central Government, and it must
answer to its electorate. In very rare circumstances we
directly intervene in local authorities, but in this case I
expect significant improvement.

I ask one thing of my right hon. and learned Friend,
and I am sure that he will deliver on this. If he is made
aware of any additional information or additional issues
that arise at Oadby and Wigston council, I would be
more than glad to hear from him to make sure that
those issues are being addressed. I thank him for bringing
this important issue to the House, and I look forward to
keeping this dialogue going with him over the coming
months so that his constituents can feel confident that
they are getting the service that they deserve from
Oadby and Wigston council.
Sir Edward Garnier: I wanted to intervene finally for two reasons: first, to welcome the wonderful Deputy Speaker to the Chair, and, secondly, to thank my hon. Friend again for the care and attention he has given to this matter. He has got lots to deal with in his portfolio, and I have every confidence, having heard what he has had to say, that he and his officials will keep a very close eye on this borough council. Of course, he and I will be in close contact with each other as the need arises, and I am grateful to him for helping out this evening.

Mr Jones: I thank my right hon. and learned Friend for his kind comments, and I am sure we will continue that dialogue.

Question put and agreed to.

6.30 pm

House adjourned.
House of Commons

Wednesday 7 September 2016

The House met at half-past Eleven o’clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

CABINET OFFICE

The Minister for the Cabinet Office was asked—

Government Estate (Modernisation)

1. Sir Henry Bellingham (North West Norfolk) (Con): What progress the Government are making in creating a more modern and efficient Government estate.

[906119]

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): Working collaboratively with Departments and local government, we are delivering a public sector estate that is cost-effective, supports the delivery of better-integrated public services, and exploits surplus land and property to help build homes and create jobs. In so doing, since 2010 we have raised £1.8 billion in capital receipts and reduced running costs by £750 million.

Sir Henry Bellingham: I welcome the Minister to his place and congratulate him on his well-deserved promotion. Does he agree that at a time when the country needs to build more housing on brownfield sites, it is essential that the Government lead the way in this? Have the Government done any audit that has ascertained the amount of land available and the number of houses and flats that could be built on it?

Ben Gummer: We have done some partial work, as my hon. Friend suggests. It is in the nature of the work that we are doing that there is not sufficiently good-quality understanding of public sector land, and that is why we are seeking to make it better. Despite that, we delivered 100,000 homes on public sector land in the previous Parliament, and we aspire to build 150,000 in this one. I shall provide him with further details as and when we discover them.

Andrew Gwynne (Denton and Reddish) (Lab): I welcome the Minister to his post. He will know that in 2010 a report said that the changes to the civil service—the regionalisation of the civil service—would require political leadership. We have seen a reduction in the size of the estate in London but an increase in the number of top officials and civil servants in London. Under his tenure, will we finally see that political leadership and the regions actually having a voice?

Ben Gummer: I thank the hon. Gentleman for his kind comments. In my previous ministerial post, it was a great pleasure for me to work with civil servants, especially in Yorkshire, including senior civil servants working there. I saw myself how it is possible to have senior civil servants around the country. I completely agree that the more we can get senior positions of all kinds around the country, the better we will be able to serve the people whom we were elected to serve.

Mr Philip Hollobone (Kettering) (Con): The speed with which the new Brexit Department has been established from scratch since 24 June has been truly impressive. Is not the key to a modern Government who can respond to modern needs to have as much flexible, open-plan office space as possible?

Ben Gummer: I completely agree with my hon. Friend. The way in which we have been able to set up the new Department and the other Departments of State so rapidly is a tribute to the work done by my predecessors as Ministers at the Cabinet Office in reforms to the civil service and to the Government Property Unit. He will have heard the comments of my right hon. Friend the Secretary of State for Exiting the European Union about the very significant support that he has received, in number and in quality, from the civil service so far.

Electoral Law Reform

2. Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What plans he has to bring forward proposals to reform electoral law.

[906120]

313 314

Chris Skidmore: The Government are committed to ensuring that our electoral system is as transparent, accurate and effective as possible. We are working closely with the Law Commission to consider what reforms might be brought forward in the light of its report on electoral law published earlier this year. The Government are also considering the review by my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) of electoral fraud, and we will respond to his proposals in due course.

Stuart C. McDonald: Smaller parties received almost a quarter of the votes cast in the 2015 election. While once 97% of the country voted Labour or Tory, that number is now less than 70%, and indeed falling, but none of that is reflected here. Is it not now time for a very serious and mature discussion on how we can make every vote count in UK general elections?

Chris Skidmore: The Government believe that first past the post is the best system for electing a Government at the same time as ensuring that the vital constituency link between a Member of Parliament and their constituents is retained. This is clearly in line with the public mood, reflected in the overwhelming majority support for first past the post at the referendum held in 2011.

Carol Monaghan: Many 16 and 17-year-olds feel disfranchised by Westminster. In 2007, Austria lowered its voting age to 16, and has found that turnout among
16 and 17-year-olds is higher than for older first-time voters. Will the Minister now commit to seriously examining the evidence for extending the franchise to our young adults?

Chris Skidmore: The Government believe that it is absolutely vital to our democracy that young people should be engaged in the democratic process, and we will continue our commitment to increasing participation. The current voting age of 18, however, is widely recognised as the point at which one becomes an adult and gains full citizenship rights. I note that the question of lowering the voting age has been debated in this House on several occasions, when it has been repeatedly defeated, including three times during proceedings on the European Union Referendum Bill. The Government therefore have no plans to reduce the voting age.

Sir Eric Pickles (Brentwood and Ongar) (Con): I welcome my hon. Friend to the Dispatch Box, and I thank him and his predecessor for the help that they have given in the compilation of my report. Is my hon. Friend alarmed by the fact that it is harder to take out a library card or collect a parcel from the post office than it is to vote or obtain a postal vote in our trust-based system? That places our ballot boxes at a peculiar risk. When will the Government respond?

Chris Skidmore: I thank my right hon. Friend for the warm welcome to his new position. In the EU referendum the evidence for extending the franchise to our young adults?

Chris Skidmore: The Government are committed to ensuring that we have a democracy that works for everyone. Already, the introduction of individual electoral registration has made it easier to register to vote than ever before, with 20 million applications to register to vote online since 2014. The Electoral Commission's report from July 2016 found that thanks to IER, electoral registers are not only more complete than ever before, but, critically, more accurate than ever. The Government recognise that there is always more to do, and we are committed to a programme of boosting registration among certain vulnerable groups in order to build a more engaged democracy.

Constituency Boundaries

3. Lucy Allan (Telford) (Con): When he expects the Boundary Commission to publish its initial recommendation for new constituency boundaries.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Boundary Commissions for England and Wales will be publishing their initial recommendations on Tuesday 13 September, and the Boundary Commission for Scotland will do so later this year. The Boundary Commission for Northern Ireland published its recommendations yesterday. The conduct of the boundary review is a matter for the independent Boundary Commissions. The initial proposals will be the subject of extensive consultation with political parties and local communities, after which revised proposals will be published at a later date.

Lucy Allan: I thank the Minister for his response, and I warmly welcome him to his position, where I am sure he will do an excellent job. I represent a rapidly growing new town with low voter registration, where an additional 5,000 new voters have hit the electoral roll in the past six months. Does the Minister agree that if the boundary review is to achieve constituencies of equal size by the next election, those factors need to be taken into consideration?

Chris Skidmore: During every previous boundary review, Parliament has accepted that there must be a defined date and a set of registers to access. That was set down as a result of the delay to the 2013 review, which was voted for by Labour Members. Not only do those who now seek to delay the boundary review even further seek to overturn the accepted will of Parliament, but to delay the boundary review again would ensure that we have constituencies that are of dramatically unequal size, and that are based on data more than two decades old.

Nick Smith (Blaenau Gwent) (Lab): The boundary review next week is going to be a sham. Nearly 2 million voters have not been counted. Why does the Minister not start again, so that our democracy is not undermined by next week's partisan gerrymandering?
Chris Skidmore: Without the implementation of the reforms, legislated for by a majority in the previous Parliament, Members will continue to represent constituencies that were drawn up on the basis of data collected over 20 years ago, disregarding significant changes in the population since that happened. The status quo cannot and must not be an option. In future, boundary reviews will take place every five years to ensure that constituencies remain up to date, as they should be.

Glyn Davies (Montgomeryshire) (Con): The number of electors in Welsh parliamentary constituencies varies hugely: Cardiff South and Penarth has more than 72,000 electors; Arfon has fewer than 40,000. My constituency of Montgomeryshire sits roughly in the middle, with about 48,000. Does the Minister agree that it cannot be right for each of these constituencies to elect one MP when the number of voters within them is so radically different?

Chris Skidmore: My hon. Friend is absolutely right. We cannot continue with the historical injustice of allowing such unequal representation. That representation currently allows for the electorate of one seat to be twice the size of another’s or, to put it in other words, allows one elector’s vote to be worth twice that of another. This injustice, long recognised, must be resolved.

Jonathan Ashworth (Leicester South) (Lab): I congratulate the hon. Gentleman on his well-deserved promotion to the Treasury Bench. In the past, Ministers have argued that cutting the number of MPs will save the taxpayer £12 million. That is exactly the same amount of money that the previous Prime Minister has just spent on his lavender list of resignation honours. Is it not the case that this boundary redistribution is proceeding on the basis of a register from which 2 million people are excluded, and is that not an absolute affront to democracy?

Chris Skidmore: The hon. Gentleman is absolutely right to recognise that cutting the number of MPs from 650 to 600 will not just save £12 million, but save £66 million over the course of a Parliament. At a time when many areas of public life have found savings, it is right that we should put our own house in order. Equally, it is right that we should finally establish the democratic principle of constituencies with an equal number of voters, which was first called for by the Chartists back in 1838 and recently endorsed by the Committee on Standards in Public Life.

Cross-Government Departmental Resourcing

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): If he will make an assessment of the effect on cross-Government resourcing of Departments of recent machinery of government changes.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): All Departments are currently reviewing their own structures and resources to ensure that we get the best deal for the whole of Britain. The Cabinet Office is helping to co-ordinate that effort.

Gill Furniss: The shake-up of Whitehall comes as insiders fear that Whitehall may simply be unable to face up to the scale of the Brexit negotiations if resources stay as they are. With the negotiations looming, rather than laying off civil servants and slashing budgets, is it not now time that our civil service was properly resourced and able to fight for the best deal for Britain?

Ben Gummer: I reject the hon. Lady’s assertions. The civil service is one of the finest in the world. It has already risen to the challenge of the immediate opportunities that, with Brexit, face us as a country. That is why I am delighted that we have been able to resource the two new Departments so successfully, and their Secretaries of State are very content with the support they are receiving.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I congratulate my right hon. Friend and the Parliamentary Secretary on their appointments, and say how much we on the Public Administration and Constitutional Affairs Committee look forward to working with them? As well as focusing on resourcing and machinery, our inquiry into the civil service will focus on civil service leadership. Does my right hon. Friend agree that we need to develop stronger leadership in the civil service to inculcate the right values, the right attitudes, and the trust and openness on which a high-functioning organisation depends?

Ben Gummer: I, too, look forward to continuing my long-standing relationship with the Chairman of the Public Administration and Constitutional Affairs Committee, my near constituency neighbour. I agree with him entirely on his point about senior talent. We need to get as much talent as possible into the civil service at all levels. I have recently met the senior talent team in the civil service, a very impressive outfit, who have their work cut out to make sure that we can do even better.

Mark Durkan (Foyle) (SDLP): In the context of the recent machinery of government changes, when will we know—or can the Minister tell us now—who will have responsibility for cross-Government co-ordination in respect of the work of the British-Irish Council, which relates to all eight Administrations in these islands?

Ben Gummer: I retain responsibility for the constitution as a whole, as does the Cabinet Office. I shall write to the hon. Gentleman with a detailed reply so that he can have the satisfaction of that.

Anonymous Voter Registration: Domestic Violence Victims

6. Marie Rimmer (St Helens South and Whiston) (Lab): What steps the Government are taking to help domestic violence victims to register to vote anonymously.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government are determined that those whose personal safety would be at risk if their details appeared on the register should be able to register anonymously. I have arranged to meet representatives from Women’s Aid to discuss concerns they may have over the process of anonymous registration and have also written to my right hon. Friend the Minister for Women and Equalities to set out our plans to look at regulations on this important policy.
Marie Rimmer: I thank the Minister for the information he has just given me and am pleased with what he has said. He has to acknowledge that some domestic violence victims choose not to go to the police and do not have easy access to the qualifying officers or registrars at present. I am pleased that he is having meetings and look forward to his announcing the steps he is going to take.—[Interruption.]

Mr Speaker: Order. This is very unfair. The hon. Lady is asking a question about help for victims of domestic violence who wish to register to vote anonymously. I really think the House should be attentive to this matter.

Marie Rimmer: Thank you, Mr Speaker. I am pleased that the Minister has acknowledged some of the difficulties these women have in registering. They are victims. I look forward to hearing the steps he will announce in the future. A very real barrier to registering to vote at present is the limited number of officers. The women do not have easy access to those people, which disfranchises them.

Chris Skidmore: I thank the hon. Lady for raising this issue with me. I recognise what she says. Those who have left domestic violence to seek a new life may be seen as some of the most vulnerable in society, but I believe that they are also some of the bravest. As I said, today I can announce that the Government will look closely at representations from Women’s Aid and other domestic violence charities. I am happy to meet the hon. Lady, since we are determined that no one should be denied the opportunity to vote.

Nicky Morgan (Loughborough) (Con): I warmly welcome the Minister to his position. He will find that his letter is a reply to one I wrote on this topic when I was Minister for Women and Equalities. I warmly welcome what he has said, but he could speed things up by adding domestic violence protection orders and domestic violence protection notices to the list of evidence needed. I urge him to do that speedily.

Chris Skidmore: I appreciated receiving my right hon. Friend’s letter. It was one of the first things in my inbox that I was determined to act on straightaway. The situation is slightly more complex, because changing the regulations would require a change to the Political Parties, Elections and Referendums Act 2000, but the Government will review all aspects of the policy.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Most victims of domestic abuse never report the abuse to the police. Will the Government commit to reviewing the regulations, so that those women are able to register anonymously?

Chris Skidmore: I refer the hon. Lady to the answer I have just given.

Digital Technology

7. Victoria Borwick (Kensington) (Con): What progress the Government are making in using digital technology to transform delivery of public services.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The Government are investing £2.25 billion in digital services over the next four years in order to recast the relationship between the people we seek to serve and the state. There is more to come. We are doing a lot, but there is a lot more to do.

Victoria Borwick: May I join in the congratulations to the Minister on his new role? How could we better use digital sharing services to reduce the number of events never and serious untoward incidents in the NHS?

Ben Gummer: My hon. Friend is entirely right that it will be a digital solution that brings the most advantage to the area of the health service that she identifies. I am glad that the close working of the Healthcare Safety Investigation Branch, NHS Improvement and the NHS Litigation Authority, enabled through digital, will mean that we can reduce never events and serious untoward incidents.

Mr Gregory Campbell (East Londonderry) (DUP): In ensuring that use of digital technology proceeds at a pace, what steps are the Government taking to ensure that hacking of digital technology decreases and is eliminated?

Ben Gummer: The hon. Gentleman is entirely right that hacking poses a serious threat to our national infrastructure. I will be able to make more announcements in the next few weeks that I hope will colour the detail that he is seeking.

Topical Questions

T1. [906044] Mr David Hanson (Delyn) (Lab): If he will make a statement on his departmental responsibilities.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The Cabinet Office is responsible for delivering a democracy that works for everyone, supporting the design and delivery of Government policy and driving efficiencies and reforms to make government work better.

Mr Hanson: At a time when the Government are reducing the number of elected Members of this elected House of Parliament by 50, is it right that we keep 100 hereditary peers in another place when they owe their place in Parliament to patronage in the middle ages?

Ben Gummer: It is not for me to revisit the arguments over the House of Lords, and as our manifesto made clear, that is not a first priority of this Government. The right hon. Gentleman will be glad to know that, over the past few years, we have reduced the cost of the House of Lords quite considerably.

Mr Speaker: Order. If the House were as courteous to the Minister as the Minister is to the House, that would be a great advance for all of us.

T3. [906047] Gareth Johnson (Dartford) (Con): Our electoral system needs to be both user-friendly and watertight if it is to command the respect of the British public. The Minister previously alluded to the report produced by my right hon. Friend the Member for
Brentwood and Ongar (Sir Eric Pickles). Will the Minister commit today to implementing at least the broad thrust of the report, so that trust in our system can continue?

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): My hon. Friend is absolutely right that we must take electoral fraud very seriously. The April 2015 election court judgment in Tower Hamlets exposed worrying electoral fraud and corruption. The Government are currently considering the recent review by my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles), which provides a range of measures to tackle electoral fraud, and will give a full response in due course.

Mr Tom Watson (West Bromwich East) (Lab): I welcome you back, Mr Speaker, and give a very warm welcome to the new ministerial team. I congratulate them all on their appointments. We look forward to a positive working relationship with them, holding them to account and making a difference where we can.

I apologise to you, Mr Speaker, for my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith), a new member of my team. She is on her honeymoon and cannot be with us today, but I am sure we wish her very well in her marriage to Ben. My colleague may be on her honeymoon, but let me reassure the ministerial team that the honeymoon period for the Chancellor of the Duchy of Lancaster is well and truly over. I have asked a series of questions about his responsibilities, but they have not been answered after 56 days in office. I therefore ask any member of the team: where is he today and what does he actually do?

Ben Gummer: The hon. Gentleman has asked a number of questions and I will ensure that I relay them to the Chancellor of the Duchy of Lancaster, but I can say that he is responsible for the chancellery of the Duchy of Lancaster.

Mr Watson: What departmental responsibilities does the Chancellor of the Duchy of Lancaster have, and how is he carrying them out?

Ben Gummer: The Chancellor the Duchy of Lancaster sits on a number of very important Cabinet Committees and has a number of responsibilities, which I am sure the hon. Gentleman will find out in due course.

T4. [906048] Charlie Elphicke (Dover) (Con): Will the Minister tell the House whether the Cabinet Office will play an important role in co-ordinating and helping to co-ordinate the Brexit negotiations and the activities of the three Brexiteers? Will the Cabinet Office ensure that it helps them to reach agreement, perhaps playing the role of a latter-day d’Artagnan, helping them with their exploits and their mission?

Ben Gummer: My hon. Friend will be pleased to know that my job is merely to serve. I will ensure that my right hon. Friend the Foreign Secretary, the International Trade Secretary and the Secretary of State for Exiting the European Union have all the resources they need to do their important job of work to ensure that we make a success of Brexit.

T2. [906046] Martyn Day (Linlithgow and East Falkirk) (SNP): The Bathgate office of Her Majesty’s Revenue and Customs, which serves my constituency, is to close by 2020 as part of the modernisation programme, with services moving online. [Interruption.]

Mr Speaker: Order. The situation is intolerable. The hon. Gentleman is entitled to be heard and Ministers are struggling to do so. I want to hear the hon. Gentleman—he can be assured of it.

Martyn Day: Thank you, Mr Speaker.

During the recess, the Government Digital Service lost its second director general within a year and the Government received the resignations of the chief digital officers of two other Departments. As services are removed from local communities, what steps is the Minister taking to get the Government’s digital provision under control and to ensure that people have access to reliable online services?

Ben Gummer: I am very proud of what the Government Digital Service has achieved in the past few years. That is why it is rated the foremost digital service in the world connected with a Government. I am pleased to welcome Kevin Cunningham as the new director general—it is the first time the office has had a director general. He has a fine pedigree in the private sector and will bring his expertise to the Government Digital Service.

T5. [906049] Fiona Bruce (Congleton) (Con): The Prime Minister set her Government on the right track with her very first words outside 10 Downing Street, with a determination to stand up against injustice and inequality. What progress has been made on the audit of racial disparities in public service outcomes?

Ben Gummer: I am very glad to hear my hon. Friend endorse the words, on the steps of Downing Street, of my right hon. Friend the Prime Minister. She will be glad to know that we have already had a substantial meeting to discuss the remit of the racial disparity audit. It will uncover uncomfortable truths, but unless we do that we will not be able to face up to the burning injustices that remain in our country.

T6. [906050] Ian C. Lucas (Wrexham) (Lab): Does the Minister agree with the Lord’s Speaker that membership of the House of Lords should be less than that of the Commons?

Chris Skidmore: The other place has an important role, as a revising chamber, in scrutinising and improving draft legislation. The Government are clear that an unelected chamber should not seek to block the will of the Commons. The Conservative manifesto is clear that reform of the House of Lords is needed and we have seen significant reforms, including the retirement of peers. Over 150 peers have left the Lords since 2010 and the Chamber is 400 Members smaller than in 1998. The operating costs of the Lords have also fallen by 14% since 2010.

T7. [906051] Caroline Ansell (Eastbourne) (Con): The Government recognise how vital small and medium-sized enterprises are to our nation’s fortunes. They are increasingly looking to see how they can open up
Government contracts to them, last month launching a new webinar resource. What more can the Minister and I do, with the Government, to seal the deal for local businesses in Eastbourne and Willingdon?

**Ben Gummer:** My hon. Friend is entirely right: small and medium-sized enterprises power this nation. I hope that in the negotiations we are soon to begin we will unleash them even further into the global markets that Britain will now be able to exploit. She is also right to say that we should be giving more central Government contracts to small and medium-sized enterprises. We beat our target in the previous Parliament. We have an ambitious target of a third of all projects to go to SMEs.

The Prime Minister: My hon. Friend is absolutely right. The announcements by the Chancellor, to which I referred in answer to the first question, provided guarantees to the farming industry about the support available to it up to 2020. We need to recognise the significant role that the food and farming industry plays in the United Kingdom, and we will of course look to working with the sector—my right hon. Friend the Environment Secretary will be doing this—to see how to develop those industries with a view to the trade deals that will play their part as we look to the future.

**Jeremy Corbyn:** May I join the Prime Minister in congratulating the entirety of the Olympic team on their fantastic achievements at the Olympics in Rio and wish them the very best? Did our Olympic success set off the visit to China in a good way, or was there a bit of tension there, when bragging rights were allowed?

The Prime Minister: In response to the right hon. Gentleman’s first point, President Xi actually congratulated me on the United Kingdom’s success in the Olympic games.

The right hon. Gentleman mentions housing, which he has raised on a number of occasions both with my predecessor and with me before we broke for the summer recess. Let me simply say this. Of course it is important for us to look at helping people to get their first step on to the housing ladder and ensuring that people are able to have the home that they want. That is why I am pleased that house building has been up under a Conservative Government by comparison with a Labour Government. We are not complacent, however, which is why we will do more to see more houses built under this Conservative Government and continue to provide support for people to ensure that they have the financial support that helps them to own their own homes.

**Jeremy Corbyn:** Actually, house building under this Government is 45,000 fewer a year than it was under the last Labour Government, and many people are desperate to get their own place. Let me refer the Prime Minister to a note I received from a lady called Jenny whose partner and herself work in a supermarket earning £7.37 an hour each. They are trying to get a mortgage and have been told that they can borrow £73,000—not much hope for them, then. The former Prime Minister, the right hon. Member for Witney (Mr Cameron) promised a one-for-one replacement for every council house sold.
under right to buy. Sadly, the reality is that there is only one for every five that are sold. Will the Prime Minister give a commitment and tell us when the one-for-one replacement will be a reality?

The Prime Minister: Let me first say to Jenny that I fully understand and appreciate the concerns individuals have about wanting to be able to set up and have their own home. I fully recognise the difficulties some people face in doing that. I have to say to the right hon. Gentleman that he is wrong about the figures on council houses. We have delivered on the one-for-one replacement under right to buy.

I noticed that the right hon. Gentleman had asked all his Twitter followers what questions he should ask me this week, so I thought I would look to see what sort of responses he had received. I have to say that the first one was quite good. In fact, he might want to ensure that he stays sitting down for this. Lewis writes, “Does she know that in a recent poll on who would make a better Prime Minister, ‘Don’t Know’ scored higher than Jeremy Corbyn?” What we do know is that, whoever wins the Labour party leadership, we are not going to let them anywhere near power again.

Jeremy Corbyn: The number of first-time buyers has halved in the past 20 years, and their average age has increased a great deal. There is a housing crisis in Britain. Ten million people now live in the private rented sector, and many are forced to claim housing benefit to cover the costs of rents. Devastating figures released over the summer show that £9.3 billion of public money is paid through housing benefit directly into the pockets of private landlords. Does the Prime Minister think that that £9.3 billion going into the private rental market is really money well spent?

The Prime Minister: The right hon. Gentleman starts off talking about the importance of people being able to be in their own homes, and then challenges one of the measures that actually help people to get into their own homes, through housing benefit support in the private rented sector. It may be that he just has an ideological objection to the private rented sector, but I say to him that this Government are looking across the board to ensure that more homes are being built. We are seeking to ensure that there is a diversity of opportunity for people who want to be in their own homes.

Everything that the right hon. Gentleman says tells us all that we need to know about modern Labour: the train has left the station, the seats are all empty, and the leader is on the floor. Even on rolling stock, Labour is a laughing stock.

Jeremy Corbyn: The Prime Minister’s predecessor, when discussing this issue, said:

“The simple point is this... every penny you spend on housing subsidy is money you cannot spend on building houses.”—[Official Report, 10 February 2016; Vol. 605, c. 1569.]

“If landlords rent out houses in a very bad state, such as heavy damp, wet walls, no working toilet... they need to be getting a fine. The government has to regulate”.

That is what Joyce wrote to me. The Citizens Advice Bureau says that one sixth of housing benefit goes to private sector landlords who are letting unsafe homes. Does the Prime Minister really think that that is a satisfactory state of affairs?

The Prime Minister: If the right hon. Gentleman thinks that housing benefit is such a bad thing, why is it that, when we changed the rules on housing benefit, the Labour party opposed those changes? He talks about bad landlords. We are making changes. We have changed the rules on selective licensing. We think that giving councils free rein to impose burdensome bureaucracy on landlords would cause problems in the market that would actually lead to higher costs for both tenants and landlords. We are introducing new regulations in relation to houses in multiple occupation. We are looking at all those issues. I recognise, as will every Member in the House, the problems that people sometimes experience when they are living in accommodation that is not up to the standard of the accommodation in which we would all wish people to live. That is why we are changing the rules and ensuring that the regulations are there.

Jeremy Corbyn: That is extremely interesting, because only a year ago the Prime Minister voted against a Labour amendment to the Housing Bill that said, quite simply, that all homes for rent in the private sector should be fit for human habitation. Just over a year ago, the Treasury estimated that it was losing half a billion pounds a year in tax unpaid by private sector landlords. So there we have it: £9.5 billion in housing benefit, half a billion pounds not being collected and a very large number of homes that are not really fit for human habitation. Does that not require Government intervention on the side of the tenant and those in housing need?

The Prime Minister: The right hon. Gentleman asks for the Government to intervene. The Government have, through the Housing and Planning Act 2016, introduced further tough measures such as civil penalties, banning orders for serious offences and the extension of rent repayment orders. We have provided money so that local authorities can conduct more inspections of people’s homes, and we have seen more properties being inspected. Thousands of landlords now face further action. Far from not taking action in this area, the Government have done so.

But I say this to the right hon. Gentleman: he may have a model of society where he does not want to see private landlords, and where he wants to see the Government owning everything, deliberating on everything and doing everything for everybody. That is not what we want: we want opportunities for people; we want to help them to take those opportunities. That is a big difference between him and me.

Jeremy Corbyn: Of course we all recognise that there is a mixed housing economy, but we want to make sure that those living in the private rented sector are properly treated and not having to pay excessive levels of rent.

Women’s Aid has said that two thirds of women refuges are going to close because of the benefit cap when it comes into force and that 87% of women and children in those refuges will suffer as a result, and that most of those refuges require an income level that comes mainly from housing benefit—90% of their income comes from it. Does the Prime Minister recognise that
The women in those refuges are very vulnerable and that closure of those refuges would be devastating for them—very dangerous for the most vulnerable people in our society? Will she take action to make sure that the cap does not apply to Women’s Aid refuges in any part of Britain?

Angus Robertson (Moray) (SNP): I join the Prime Minister and the leader of the Labour party in praising all Olympians. This is the first day of the Paralympics, and I wish all Paralympians from all parts of these islands well. They are an inspiration to us all.

There is real concern and worry about the prospects for Brexit, especially in Scotland, where the majority of people voted to remain within the European Union. The UK Government have had all summer to come up with a plan and a strategy, but so far we have just had waffle. I want to ask the Prime Minister a simple but important question. Does she want the UK to remain fully within the European single market?

The Prime Minister: What I want for the UK is that we put into practice the vote that was taken by the people of the United Kingdom to leave the European Union, that we get the right deal for trade in goods and services with the European Union in the new relationship that we will be building with it, and that we introduce control over the movement of people from the European Union into the United Kingdom. I say to the right hon. Gentleman that we can approach the vote that took place on 23 June in two ways. We could try to row back on it, have a second referendum and say that we did not really believe it, but actually we are respecting the views of the British people. More than that, we will be seizing the opportunities that leaving the European Union now gives us to forge a new role for the United Kingdom in the world.

Angus Robertson: We on these Benches respect the views of the people of Scotland, who voted to remain in the European Union. The European single market—[Interruption.]

Mr Speaker: Order. The right hon. Gentleman must be heard, and he will be heard.

Angus Robertson: Thank you Mr Speaker. The European single market is the biggest market in the world and it really matters to our businesses and to our economy. I asked the Prime Minister a very simple question, to which there is either an in or an out answer. Let me ask it again. Does she want the United Kingdom to remain fully part of the European single market? Yes or no?

The Prime Minister: The right hon. Gentleman does not seem to quite understand what the vote on 23 June was about. The United Kingdom will leave the European Union and we will build a new relationship with the European Union. That new relationship will include control over the movement of people from the EU into the UK, and it will include the right deal for trade in goods and services. That is how to approach it. I also say to him that, in looking at the negotiations, it would not be right for me or this Government to give a running commentary on them—[Interruption.]

Mr Speaker: Order. Just as I said that the right hon. Gentleman must be heard, so must the Prime Minister’s answer be heard, and it will be.

The Prime Minister: And it would not be right to prejudge those negotiations. We will be ensuring that we seize the opportunities for growth and prosperity across the whole of the United Kingdom, including growth
and prosperity in Scotland. As we saw from the figures released this summer, what really gives growth and prosperity in Scotland is being a member of the United Kingdom.

Q5. [906108] James Heappey (Wells) (Con): Last week, hundreds of local residents and businesses attended my faster broadband fair, and many of those with the very slowest speeds claimed a £500 voucher from Connecting Devon and Somerset to fund an alternative broadband connection capable of delivering at least 10 megabits per second. Will the Prime Minister join me in congratulating Somerset County Council on this excellent scheme and confirm that the Government remain committed to delivering a universal service obligation of at least 10 megabits per second by 2020?

The Prime Minister: I am very happy to give my hon. Friend that assurance and also to join him in paying tribute to his council and the work that it is doing, and indeed to all those involved in that innovative scheme. High-speed broadband is an important part of 21st-century infrastructure, and we will be doing everything we can to ensure that it is available for people, because that will enable us to develop jobs and to grow prosperity in this country.

Q3. [906106] Richard Arkless (Dumfries and Galloway) (SNP): Penman Engineering, which was established in my constituency in 1859, was forced into administration this week by one debtor, which is the recipient of huge public sector contracts. I cannot name that debtor. This is an impossible position: Penman has to continue to trade with the debtor as well as pursuing the debt. Will the Prime Minister please put me in touch with the Business Secretary so that we can discuss any potential export support that could be given? How can we ensure that companies that receive enormous amounts of public money pay their bills on time and do not hold our supply chains to ransom?

The Prime Minister: Of course, our thoughts are with all the families affected by what has happened to Penman Engineering. The administrator has a role in ensuring that any sale of the business protects the maximum number of jobs, and my right hon. Friend the Secretary of State for Scotland has made it clear that that is his priority. I hope that the Scottish Government will offer their support to this long-standing business. As I said, our thoughts are with all those who have been affected, and the administrator will obviously be looking to ensure that the best possible options are found for the company.

Q7. [906110] Mr Bernard Jenkin (Harwich and North Essex) (Con): In adding my congratulations to the many that the new Prime Minister has received on her appointment, may I comment that following the EU referendum and under her leadership I feel more confident about the future of this country than ever in my lifetime? Will she beware of those who are trying to make leaving the European Union ever more complicated and protracted? To that end—[Interruption.]

Mr Speaker: Order. Progress is very slow and there is far too much noise. The hon. Gentleman will be heard. It is as simple as that.

Mr Jenkin: To that end, will the Prime Minister confirm that there is no basis in law to require the Government to seek the permission of Parliament before invoking article 50?

The Prime Minister: I thank my hon. Friend for his comments. He is absolutely right and the Government’s position is clear. This is a prerogative power and one that can be exercised by the Government. As he alluded to in his question, no one should be in any doubt that those who are trying to prolong the process by their legal references in relation to Parliament are not those who want to see us successfully leave the European Union; they are those who want to try to stop us leaving.

Q6. [906109] Andrew Gwynne (Denton and Reddish) (Lab): The Prime Minister seems less keen than her predecessor on the northern powerhouse, but she also says that post-Brexit Britain is open for business, so where would be better than the great city of Manchester to host the World Expo in 2025? Where better than the home of the world’s first programmable computer, where the atom was split and where graphene was invented to showcase the best of Britain to the world and the best of the world to Britain? Will she back our bid?

The Prime Minister: I am interested to hear the hon. Gentleman’s lobbying for Manchester and will of course seriously consider what he says. May I also say how pleased I am that Manchester will host the parade for our Olympic athletes?

Q8. [906111] Mr James Gray (North Wiltshire) (Con): In this post-Brexit world, does the Prime Minister agree that NATO is a more important than ever cornerstone of the nation’s defences, particularly article 5, which lays down that an attack on one member is an attack on all? Does the Prime Minister agree that any politician who will not sign up to that commitment or, even worse, tells NATO to “give up, go home and go away” is recklessly risking the defence of the realm?

The Prime Minister: I absolutely agree with all my hon. Friend’s points. We must never forget the importance of NATO. It is the cornerstone of our defence and security, and that strength is based on the fact that all NATO partners have committed to article 5 and to operating on the basis of article 5. Anybody who rejects that security and that defence. They would be undermining not only our national security, but the national security of our allies. What we know from the Labour party is that far from delivering stronger defence, it would cut defence spending, undermine NATO and scrap the nuclear deterrent.

Q11. [906114] Ms Margaret Ritchie (South Down) (SDLP): Prime Minister, I have just had a debate in Westminster Hall on the Police Ombudsman for Northern Ireland’s report into the Loughinisland massacre, in which six men were shot dead by the Ulster Volunteer Force in a period of direct rule in my constituency. I received a letter from her predecessor in which he acknowledged this unspeakable evil and assured me
that the Government accept the police ombudsman’s report and that any allegations of police misconduct will be taken seriously. Will the Prime Minister detail what action she will take to ensure that prosecutions are pursued, that an apology is forthcoming from the Government and that compensation is provided for the lives lost?

The Prime Minister: The hon. Lady is right: what happened at Loughinisland was a terrible evil. I am sure everybody across the House will want to join me in expressing our sympathies to all those affected by the appalling atrocity. As she has said, and as my right hon. Friend the Member for Witney (Mr Cameron) said, the Government accept the police ombudsman’s report and the Chief Constable’s response. It is important that where there are allegations of police misconduct, those are taken seriously and are properly looked into; if there has been wrongdoing, it must be pursued. Obviously, this is now a matter for the Police Service of Northern Ireland, although I would remind the hon. Lady that the Chief Constable has made it very clear that he is determined to ensure that where there has been wrongdoing, people will be brought to justice.

Q9. [906112] Richard Fuller (Bedford) (Con): A long-running review of hospital services in Bedford and Milton Keynes was an abject failure that lost all credibility with local people, for example, by publishing recommendations for significant changes to services and then refusing to answer any questions. Will the Prime Minister assure me that the sustainability and transformation plans for Bedfordshire and elsewhere, to be released by NHS England, will be subject to proper local accountability and full local decision authority?

The Prime Minister: It is absolutely the point of these plans that they are locally driven. They will be considered locally and should be taking into account the concerns and interests locally, not just those of the clinical commissioning groups, but those of the local authorities and of the public. These plans must be driven from the locality, so I give my hon. Friend that assurance.

Q12. [906115] Jeff Smith (Manchester, Withington) (Lab): Nearly 2 million people signed up to vote in the European Union referendum earlier this year. It is surely right that constituencies are based on the actual electorate who want to vote, so is the Prime Minister not concerned that the boundary review is going ahead next week without including those 2 million voters?

The Prime Minister: Parties from across this House supported the proposal that the Boundary Commission would follow this timetable and would bring forward these proposals, and that by 2018 those Boundary Commission proposals would be put in place. All parties supported that, and I continue to support it.

Q10. [906113] Charlie Elphicke (Dover) (Con): Does the Prime Minister share my anger that on the weekend of 23 July up to 250,000 people on the roads to Dover were stuck in gridlock in the sweltering heat for up to 17 hours, without food, water or even being able to go to the loo? Will she support my campaign to make sure that we get better infrastructure to the channel ports, starting with the lorry park and car park on the M20, dualling the A2 and getting some proper motorways to Dover?

The Prime Minister: My hon. Friend has been a passionate advocate for support for his local area, given some of the pressures Dover finds itself under as a cross-channel port. This is an important issue and we are committed to providing support. The money for the lorry park was, of course, announced last November, the site was announced in July and I believe that consultation is now taking place on the potential design for that site. On the possible dualling of the A2, he is right to say that we want to support local infrastructure to be able to handle the growth in traffic, particularly given that there are expansion plans for the port. I assure him that Dover will be considered as part of the planning for the next road investment strategy.

Q14. [906117] Helen Hayes (Dulwich and West Norwood) (Lab): As many children return to school this week, I am sure the Prime Minister will join me in wishing them all the best for the school year ahead. Will she also provide reassurance to my constituents and to children across London that the objectives of the changes to the schools funding formula will be achieved by levelling up, not by levelling down, and that funding for schools in London will not be cut by up to 20%?

The Prime Minister: I join the hon. Lady in wishing all those going to school, many for the first time, well in their education. We will be aiming to ensure that every child has the education that is right for them and the opportunities that are right for them. It is right that we look at the national funding formula, but that will be done carefully to see what the impact will be across all parts of the country.

Q13. [906116] Julian Sturdy (York Outer) (Con): Our world-leading universities are one of our country’s great assets, so when I next meet the vice-chancellor of York University to discuss Brexit and higher education, what assurances can I pass to him from my right hon. Friend the Prime Minister that our universities will continue to receive the vital funding they need to thrive beyond 2020?

The Prime Minister: Again, my hon. Friend raises an important point about the relevance and significance of our universities. My right hon. Friend the Chancellor of the Exchequer was able to give confidence and reassurance to universities in the summer about the funding arrangements that will continue while we are still a member of the European Union. While we are a member of the EU, we will maintain our full rights and obligations of membership, and expect others to deal with us on that same basis. Of course, looking ahead, we have a higher education Bill going through this House, which is about how we can ensure that we have the university places available in this country to provide the education that we want to provide. We have a great record on higher education in this country. We want to build on that and develop it for the future.

Q15. [906118] Tom Brake (Carshalton and Wallington) (LD): I wish to put to the Prime Minister a request that I know she will think is reasonable. St Helier hospital, which is a high-performing local hospital that delivers
excellent care, was built in the 1930s and is in need of very substantial investment. Will she agree to earmark the first two weeks of the £350 million that will be available each week post-Brexit to spend on the reconstruction of my hospital?

The Prime Minister: The right hon. Gentleman’s question tempts me to go down a number of routes in answering him. What I will say is that I recognise the importance of his local hospital trust, and I am pleased to say that, over the past six years, we have seen more doctors and more nurses in that trust able to provide more services and more facilities. Indeed, since 2010, the capital spend in the trust has been £72.7 million. We will be looking to ensure that we provide the health service that is right for everyone in this country.

Mr Philip Hollobone (Kettering) (Con): At the moment, there are 80 vulnerable elderly patients in Kettering general hospital awaiting delayed transfer to social care. The national guidelines say that there should be 25. In the next few weeks, the number is likely to rise to 200—the highest in the country—with a similar number at Northampton general hospital because of proposals by Northamptonshire County Council to extend social care assessments from three days to four weeks. To prevent this crisis, will the Prime Minister authorise a joint meeting of local government and Health Ministers, county MPs, the local NHS and the county council to bang heads together to prevent this crisis from happening?

The Prime Minister: I will ensure that the Health Department is aware of the requests that my hon. Friend has put forward. I think that everybody in this House is well aware of the challenge that we face in relation to the interaction of social care with hospitals. We have already looked at this issue. We have put money into the better care fund, and we have been considering the better working together of health services and social services under local authorities, but it is one of the challenges that we face. There are some areas where this interaction has been done very well, and it is right that we look at those and try to spread that good practice. I will make sure that the Health Department is aware of his concern.

Caroline Lucas (Brighton, Pavilion) (Green): Nine months after signing the Paris climate agreement, the Government still have not ratified the treaty. According to the Committee on Climate Change, they lack half the policies they need to meet their climate targets. With the delayed carbon reduction plan and the very real risk of missing our renewable energy targets, will the Prime Minister take this opportunity to reassure people that the Government remain committed to climate action? Will they follow the example of the 26 states that have already ratified the treaty, including the US and China? Will they give us a firm date for ratification before the follow-up negotiations in November?

The Prime Minister: I am happy to assure the hon. Lady that we will be ratifying the Paris agreement. Indeed, it was my right hon. Friend the current Home Secretary who, as Energy Secretary, played a very key role in ensuring that the Paris agreement was achieved. We have been identified as the second best country in the world for tackling climate change, and I had hoped that the hon. Lady would want to congratulate us on that.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): Today is World Duchenne Awareness Day, which is designed to draw attention to a terrible muscle wasting disease that affects a small number of young men. On this day, will the Prime Minister join me in welcoming the recent announcement that the drug Translarna will now be available to these young boys in NHS England, and will she congratulate my constituent Archie Hill, Muscular Dystrophy UK, and all those colleagues in this House and some former Ministers who have worked so hard to make this life-changing drug available in this country?

The Prime Minister: I am very happy to join my right hon. Friend in congratulating all those who were involved in making sure that that innovative drug is available, and I thank her for raising awareness of this very important issue. I know that, as Prime Minister, my right hon. Friend the Member for Witney (Mr Cameron) met Archie, the young man with Duchenne muscular dystrophy, and was inspired by him. I am sure that all Members across the House will welcome the fact that this innovative drug is now available on the NHS. We are committed to ensuring that patients with rare conditions get access to the latest medicines and we are taking some bold steps to speed up that process.

Jim Dowd (Lewisham West and Penge) (Lab): Will the Prime Minister join me and, I am sure, the whole House in sending our deepest sympathy and sincere condolences to the family and friends of Rozanne Cooper, who was killed as a result of dangerous driving, and her 10-year-old nephew, Makayah McDermott, who was mown down by a stolen car in Penge last week? May we also send best wishes to the three young girls who were involved, all family members? While other inquiries, including those by the police and the Independent Police Complaints Commission, are being undertaken and the matter is before the courts, I shall say no more about the specific case. However, is the Prime Minister aware of the widespread public concern that the law on causing death by dangerous driving is wholly inadequate? Will she undertake a review of both its suitability and its applicability as the courts implement it?

The Prime Minister: First, I join the hon. Gentleman in expressing our sympathies to all those who were involved in that terrible accident—the terrible tragedy that took place when, as he said, a stolen car mowed down two people and affected others as well. I am aware of the concern that there is about the law on dangerous driving. The daughter of constituents of mine was killed as a result of dangerous driving, and they have raised concerns with me specifically about their case. This is a matter which, I believe, the Ministry of Justice is looking at.
G20 Summit

12.42 pm

The Prime Minister: With permission, Mr Speaker, I would like to make a statement on the G20 summit in China.

Before I turn to the G20, however, I would like to say something about the process of Brexit. On 23 June the British people were asked to vote on whether we should stay in the EU or leave. The majority decided to leave. Our task now is to deliver the will of the British people and negotiate the best possible deal for our country. I know many people are keen to see rapid progress and to understand what post-Brexit Britain will look like. We are getting on with that vital work, but we must also think through the issues in a sober and considered way.

As I have said, this is about getting the kind of deal that is ambitious and bold for Britain. It is not about the Norway model, the Swiss model or any other country’s model—it is about developing our own British model. So we will not take decisions until we are ready, we will not reveal our hand prematurely, and we will not provide a running commentary on every twist and turn of the negotiation. I say that because that is not the best way to conduct a strong and mature negotiation that will deliver the best deal for the people of this country. As the Secretary of State for Exiting the European Union told the House on Monday, what we will do is maximise and seize the opportunities that Brexit presents. That is the approach I took to the G20 summit.

This was the first time that the world’s leading economies have come together since the UK’s decision to leave the EU, and it demonstrated the leading role that we continue to play in the world as a bold, ambitious and outward-looking nation. Building on our strength as a great trading nation, we were clear that we had to resist a retreat to protectionism, and we had conversations about how we could explore new bilateral trading arrangements with key partners around the world. We initiated important discussions on responding to rising anti-globalisation sentiment and ensuring that the world’s economies work for everyone, and we continued to play our part in working with our allies to confront the global challenges of terrorism and migration. Let me take each in turn.

Trading with partners all around the globe has been the foundation of our prosperity in the past, and it will underpin our prosperity in the future. So under my leadership, as we leave the EU, Britain will seek to become the global leader in free trade. At this summit we secured widespread agreement across the G20 to resist a retreat to protectionism, including a specific agreement to extend the rollback of protectionist measures until at least the end of 2018.

The G20 also committed to ratify by the end of this year the World Trade Organisation agreement to reduce the costs and burdens of moving goods across borders, and it agreed to do more to encourage firms of all sizes, in particular small and medium-sized enterprises and female-led firms, to take full advantage of global supply chains. Britain also continued to press for an ambitious EU trade agenda, including implementing the EU-Canada deal and forging agreements with Japan and America, and we will continue to make these arguments for as long as we are members of the EU.

But as we leave the EU, we will also forge our own new trade deals, and I am pleased to say that just as the UK is keen to seize the opportunities that leaving the EU presents, so too are many of our international partners, who recognise the attractiveness of doing business with the UK. The leaders from India, Mexico, South Korea and Singapore said that they would welcome talks on removing the barriers to trade between our countries. The Australian Trade Minister visited the UK yesterday to take part in exploratory discussions on the shape of a UK-Australia trade deal. And in our bilateral at the end of the summit, President Xi also made it clear that China would welcome discussions on a bilateral trade arrangement with the UK.

As we do more to advance free trade around the world, so we must also do more to ensure that working people really benefit from the opportunities it creates. Across the world today, many feel these opportunities do not seem to come to them. They feel a lack of control over their lives. They have a job but no job security; they have a home but worry about paying the mortgage. They are just about managing, but life is hard, and it is not enough for Governments to take a hands-off approach. So at this summit I again had to call for us to need to deliver an economy that works for everyone, with bold action at home and co-operation abroad. That is why, in Britain, we are developing a proper industrial strategy to improve productivity in every part of the country, so more people can share in our national prosperity through higher real wages and greater opportunities for young people.

To restore greater fairness, we will be consulting on new measures to tackle corporate irresponsibility. These will include cracking down on excessive corporate pay, poor corporate governance, short-termism and aggressive tax avoidance, and giving employees and customers representation on company boards. At the G20, this mission of ensuring the economy works for everyone was echoed by other leaders, and this is an agenda that Britain will continue to lead in the months and years ahead.

Together, we agreed to continue efforts to fight corruption—building on the London summit—and do more to stop aggressive tax avoidance, including stopping companies avoiding tax by shifting profits from one jurisdiction to another. We also agreed to work together to address the causes of excess global production in heavy industries, including in the steel market, and we will establish a new forum to discuss issues such as subsidies that contribute to market distortions. All these steps are important if we are to retain support for free trade and the open economies which are the bedrock of global growth.

Turning to global security, Britain remains at the heart of the fight against Daesh, and at this summit we discussed the need for robust plans to manage the threat of foreign fighters dispersing from Syria, Iraq and Libya. We called for the proper enforcement of the UN sanctions regime to limit the financing of all terrorist organisations and for more action to improve standards in aviation security, including through a UN Security Council resolution which the UK has been pursuing and which we hope will be adopted later this month. We also agreed the need to confront the ideology that underpins this terrorism. That means addressing both violent and non-violent extremism and working across borders to tackle radicalisation online.
Turning to the migration crisis, Britain will continue
to meet our promises to the poorest in the world, including
through humanitarian efforts to support refugees, and
we will make further commitments at President
Obama’s summit in New York later this month. But at
the G20 I also argued that we cannot shy away from
dealing with illegal migration, and I will be returning to
this at the UN General Assembly. We need to improve
the way we distinguish between refugees and economic migrants. This will enable our economies to benefit
from controlled economic migration. In doing so, we
will be able to get more help to refugees who need it, and retain popular support for doing so. This does not
just protect our own people. By reducing the scope for
the mass population movements we are seeing today, and at the same time investing to address the underlying
drivers of mass migration at source, we can achieve
better outcomes for the migrants themselves. As part of
this new approach, we also need a much more concerted
effort to address modern slavery. This sickening trade,	enough using the same criminal networks that facilitate
illegal migration, is an affront to our humanity, and I
want Britain to be leading a global effort to stamp it out.

When the British people voted to leave the European
Union, they did not vote to leave Europe, to turn
inwards, or to walk away from the G20 or any of our
international partners around the world. That has never
been the British way. We have always understood that
our success as a sovereign nation is inextricably bound
up in our trade and our co-operation with others. By
building on existing partnerships, forging new relationships
and shaping an ambitious global role, we will make a
success of Brexit—for Britain and for all our partners—and
we will continue to strengthen the prosperity and security
of all our citizens for generations to come. I commend
this statement to the House.

12.51 pm

Jeremy Corbyn (Islington North) (Lab): I thank the
Prime Minister for her statement on the G20 statement
and for giving me an advance copy of it.

I first went to China in 1998 to attend a United
Nations conference on human rights—the same year in
which the European convention on human rights was
incorporated into UK law in our Human Rights Act.
That legislation has protected the liberties of our people
and held successive British Governments to account.
That is why Labour Members share the concerns of so
many at the Prime Minister’s Government’s plans to
repeal the Human Rights Act.

On the issues of Brexit and the G20, the Prime
Minister said that she was not going to reveal her hand
on this subject. Nobody would blame her, because she
has not revealed her hand, or indeed any of the
Government’s many hands, on this particular thing;
they are unclear about what they are trying to do. The
G20 met in the wake of the vote to leave the European
Union. We have to be clear: we accept the decision
taken by the majority of our people. However, we
cannot ignore the fact that the outcome has left this
country divided, with increased levels of hate crimes,
huge uncertainty about what comes next for our country,
and an extraordinary lack of planning and preparation
on how to navigate the post-referendum situation in
relation to Europe.

That uncertainty and division have been made worse
by Government Ministers’ political posturing and often
very contradictory messages, which do not seem to add
up to a considered position. Yesterday the Brexit Secretary
said that staying in the single market was “improbable”;
the Prime Minister’s spokesperson said that was not the
case. It is one or the other; it cannot be both. So can the
Prime Minister tell the House what the Government’s
policy actually is?

The negotiations for Britain’s withdrawal from the
EU must focus on expanding trade, jobs and investment,
and on defending social, employment and environmental
protections. Many colleagues raised during Prime Minister’s
Question Time the uncertainty facing universities, for
example. The question asked by my hon. Friend the
Member for Bristol West (Thangam Debbonaire) is a
very important one. They need certainty about their
relationship with European universities immediately—it
cannot wait. Parliament and the public cannot be sidelined
from this, the greatest constitutional change this country
has embarked on for 20 years.

Corporate globalisation is a key issue that has to be addressed,
and I am pleased that the G20 did address it—or apparently so. The G20 was formed in response
to the global financial crisis of 2008: a devastating event
that was triggered by reckless deregulation of the financial
sector. It is a model of running the global economy
that, as the Prime Minister acknowledges, has produced
huge increases in inequality and failed in its own terms.
I raised this issue with President Obama during his visit
earlier this year. It is clear that rising levels of inequality
in all our economies fuel insecurities and pit people and
communities against each other.

It has been 40 years since the UK has had to engage
in bilateral trade negotiations. The free trade dogma
that the Prime Minister spoke of has often been pursued
at the expense of the world’s most fragile economies,
and has been realised with destructive consequences
for our environment. We need a UK trade agenda
that protects people and the environment. I urge the
Prime Minister to stand with me against the use of
Britain’s aid and trade policies to further the agenda of
deregulation and privatisation in developing countries.
We need a trade policy that values human rights
and human dignity.

In particular, could the Prime Minister inform the
House about her talks with the Chinese president in two
crucial areas, the first of which I raised with him in my
meeting last autumn? The UK steel industry continues
to face deeply challenging times. A key reason for this is
the scale of cheap, subsidised Chinese steel that is
flooding European markets. What assurances did President
Xi give that this practice will stop, and stop now,
because of the damage it is doing to the steel industry
in this country, and indeed in others? On the question of
Hinkley, during the summer the Prime Minister announced
that she was postponing the decision on the new nuclear
reactor at Hinkley Point. Could she take this opportunity
to explain to the House why she decided to postpone
the decision, and also set out which aspects of the
contract she is apparently re-examining?

The Prime Minister was involved in discussions at
the G20 about global challenges to security. As the
complex, brutal conflicts continue across the middle
east, I agree that we need a concerted global response to

Jeremy Corbyn (Leader of the House of Commons) (Lab): I am grateful
for the way in which the Prime Minister set out her statement
and her response to me. She confirmed that she would give
an update on Hinkley at the earliest opportunity, which is
good.

Turning to the question on global migration, the
economist Peter Drucker famously distinguished between
international and global migration. The former, he
described as “migration of purpose”, takes people
between continents where they have a purpose;
the latter, he described as “migration of necessity”,
takes people from one context into another,
where they do not have a purpose.

Drucker was right to distinguish between these
two kinds of migration, because the former
is often driven by economic forces or
social factors that we can understand
and regulate; whereas the latter is
often driven by factors that are
outside our control and are
inherent in the nature of
a globalised world.

In the case of migration
from poor to rich
countries, we are
often dealing with
people who have
no choice but to
move. In the case
of migration from
rich to poor
countries, we are
dealing with people
who move because
they have a choice.

The Prime Minister
set out the new
approach, which
she described as
“more international,
more open, more
inclusive”.

I hope that she
will accept that
she is changing the
country’s approach
to migration,
which has
been based
on the belief
that the most
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these challenges. The human cost of the refugee crisis, including the thousands drowning in the sea each year, must be our No. 1 concern and our No. 1 humanitarian response. That is why I remain concerned that at the heart of this Government’s security strategy is apparently increased arms exports to the very part of the world that most immediately threatens our security. The British Government continue to sell arms to Saudi Arabia that are being used to commit crimes against humanity in Yemen, as has been clearly detailed by the UN and other independent agencies. Will the Prime Minister commit today to halting the sale of arms to Saudi Arabia that have been used to prosecute this war in Yemen, with the humanitarian devastation that has resulted from that?

The Prime Minister: The right hon. Gentleman raised a number of issues. First, he referred to the question of hate crimes that have taken place in the United Kingdom. We have a proud history in the UK of welcoming people into this country, and there is no place in our society for hate crime. The Government have already published a new action plan to take action against hate crime. We are concerned about the levels of hate crime that we have seen. My right hon. Friends the Home Secretary and the Foreign Secretary met Polish Ministers earlier this week to discuss the particular concern about some terrible attacks that have taken place on Polish people here in the UK. We are very clear, and the police are very clear, that they will act robustly in relation to hate crime. Anybody who has been a victim of this or who has allegations of hate crime taking place should take those allegations to the police.

The right hon. Gentleman talked about what we will be doing in our negotiations with the European Union. I covered this in my statement, but just to reiterate: what we will be doing as we negotiate our leaving the European Union is negotiating a new relationship with the European Union. That will include control on the movement of people from the EU into the UK—I do not think he referred to that—but it will also be about getting the right deal for trade in goods and services that we want to see. It will be a new relationship. As I indicated in my statement, and indeed in Prime Minister’s questions, I will not be giving a running commentary, and the Government will not be giving a running commentary, on our negotiations. There is a very good reason for that. We want to get the best deal. We want to get the right deal for the United Kingdom, and if we were to give a constant running commentary and give away our negotiating hand, then that is not what we would achieve.

The right hon. Gentleman referred to the issue of steel. I raised the issue of over-production in the plenary session. That was important, because it was not just being raised with the Chinese Government but with all the leaders around the table. Crucially, the G20 has recognised the significant of this and recognised the steps that some Governments are taking, which are leading to some of the problems that we see. That is why the new forum has been introduced, which will be looking at these issues. The Chinese will be sitting on that forum, and they will be part of those discussions.

On Hinkley, I have said it before and I will say it again: the way I work is that I do not just take a decision without looking at the analysis. I am looking at the details and looking at the analysis, and a decision will be taken later this month.

On Saudi Arabia, I met the deputy crown prince at the G20, and I raised with him the concerns about the reports of what has happened in Yemen. I insisted that these should be properly investigated. The Leader of the Opposition referred to our relations with Saudi Arabia, and I think he implied that what happened in Saudi Arabia was a threat to the safety of people here in the UK. Actually, what matters is the strength of our relationship with Saudi Arabia. When it comes to counter-terrorism and dealing with terrorism, it is that relationship that has helped to keep people on the streets of Britain safe.

Finally, I hold the very clear view, as does the Conservative party, that if we are to see prosperity and growth in the economies around the world, the way to get there is through free trade. Free trade has underpinned the prosperity of this country. I will take no lessons from the right hon. Gentleman on action to help developing countries and those who are in poverty elsewhere in the world, because this Government have a fine record of humanitarian support, educating girls and others around the world and helping to give people access to the medical care, water and resources that they need. It is free trade that underpins our growth, and we will be the global leader in free trade. Free trade can also be the best anti-poverty policy for those countries. I will unashamedly go out there and give the message that we want a free trade country, and I am only sorry that the Labour party is turning its back on something that has led to the prosperity of the United Kingdom.

Sir William Cash (Stone) (Con): May I congratulate my right hon. Friend on her emphatic support for free trade? In the European Union, according to the Office for National Statistics, we run a deficit with the other 27 member states of £62 billion a year. However, we run a surplus of more than £30 billion on the same goods and services with the rest of the world, and that surplus went up about £10 billion last year alone. Will my right hon. Friend therefore continue her crusade for free trade to develop our world opportunities through Brexit and to make sure that the European Commission and the European Union no longer continue to run our trade policy? We will do it ourselves, and we will do it really well.

The Prime Minister: My hon. Friend is right. We have an opportunity, and I want to ensure that we are ambitious in seizing that opportunity to develop trade deals around the world. We will be developing the new relationship that I have referred to with the European Union, part of which will obviously be about how we trade with the EU in relation to goods and services, but we have the opportunity to develop trading relationships around the rest of the world. Of course, we cannot formally have those deals in place and operating until we leave the European Union, but we can do the preparation to make sure that they are there when we need them.

Angus Robertson (Moray) (SNP): May I begin by thanking the Prime Minister for an advance copy of her statement? In one area, I agree with her. The G20 summit was very much cast with the Brexit vote and her
Angus Robertson: The Prime Minister has not yet had time to make an oral statement to the House on the important matter of the estates review of the Ministry of Defence. Will she confirm the commitment that the Government have given to communities that there will be consultation with them before final decisions and announcements are made?

Mr Speaker: That is an extremely important matter, but it is not obvious to me how it appertains to the G20.

The Prime Minister: I will try to limit my response to the key issues in my statement that the right hon. Gentleman picked up. First, on the issue of immigration, he says that a points-based system has been rejected. What the people of the United Kingdom voted for on 23 June, as part of the vote to leave the European Union, was to have control over people who move from the European Union into the United Kingdom. A points-based system does not give us that control. A points-based system means that anybody who meets a certain set of criteria is automatically allowed to enter the country. It does not give the Government the opportunity to control and make the decisions about who can enter the country. It is that issue of control that we will be looking for as we decide the relationship that we will have with the European Union in future.

The right hon. Gentleman said a lot about trade deals with other countries, about the EU, about opportunities and so forth. What I saw at the G20, in my discussions with a number of other world leaders, was a great willingness to seize the opportunities that come from the UK leaving the European Union and to do exactly the sort of trade deals that my hon. Friend the Member for Stone (Sir William Cash) has just referred to. I think we should, as a United Kingdom, be willing to seize those opportunities. We should be ambitious in the deals that we wish to do around the world. As I have said, we should be the global leader in free trade. We should be taking those opportunities and ensuring that, as we leave the European Union, we are able to have the relationships that will ensure growth and prosperity for the whole of the United Kingdom, including growth and prosperity for Scotland.

Crispin Blunt (Reigate) (Con): At the G20, with the Saudi deputy crown prince, the Prime Minister met the Saudi Foreign Minister, Adel al-Jubeir, who is now in London. Is she as delighted as I am that he made it clear that, as we leave the European Union, we are able to have the relationships that will ensure growth and prosperity for Scotland.

The Prime Minister: Yes, I echo my hon. Friend’s comments. I am pleased that that has been reiterated. In fact, I discussed the issue with the deputy crown prince, and I am pleased that the GCC is in that position, too.
Tim Farron (Westmorland and Lonsdale) (LD): I thank the Prime Minister for her statement and for early sight of it. Now that Australia has today joined America at the G20 last week in slamming down her Government—telling us that we are in fact at the back of the queue for a trade deal—the plain fact is that this Government are not concealing their hand because they have not got a hand or, it would appear, a clue. Will the Prime Minister take this opportunity to reassure business and confirm that we will remain a member of the European single market? Does she agree with me that we trusted the British people with the question of our departure, so we should trust them with the question of our destination and put whatever deal she negotiates to the British people in a referendum?

The Prime Minister: The hon. Gentleman refers to the remarks that have been made by the Australian Trade Minister. What the Australian Trade Minister has done is, very simply, to set out the legal position. I mentioned it in response to an earlier point. The legal position is that we are not able finally to sign or put into practice trade deals with other countries while we remain a member of the European Union. That is just the situation. It does not mean we cannot prepare for that. It does not mean we cannot negotiate about and discuss that.

I am also very clear that as long as we are full members of the European Union—until the point at which we leave—we will be advocates for free trade. We will be advocates for the trade deals that the European Union is negotiating with other countries. I have given that commitment to Prime Minister Trudeau in relation to the EU-Canada trade deal. I have given that commitment to President Obama in relation to the Transatlantic Trade and Investment Partnership and the negotiation on it. We will play our full part, but at the same time, we will be looking to have the discussions that will enable us, when we leave the European Union, to have the trade deals that will give us the growth and prosperity we want.

Anna Soubry (Bromsgrove) (Con): I congratulate the Prime Minister on the way in which she, quite rightly, puts forward the huge benefits of free trade. I know that she will be aware and share the concerns of, notably, the financial and automotive sectors about any consequences of our abandoning our membership of the single market, which of course ensures that we can trade free of customs duties and with all the benefits that the single market confers. Although she is right to say that we do not want a running commentary on what now faces us, may I urge her to consider the fact that we do need some principles? What assurances can she give us about customs duties and tariffs, and about our membership of the single market?

The Prime Minister: I absolutely recognise the important role that our automotive industry plays in the United Kingdom. I was very pleased to visit Jaguar Land Rover in Solihull a few days ago to see the huge success that has been made of that company, with the extra employment it has brought and, as I say, the growth that it continues to make.

On the issue of the sort of language used about membership of the single market, access to the single market and so forth, I would say this to my right hon. Friend. As I said earlier—I repeat it again—we want the right deal for trade in goods and services for the United Kingdom. This is about saying, when we are outside the European Union, what the right relationship will be with the European Union on trade. That is why it is important for us not simply to think of this as trying to replicate something here or something there, but actually to say, “What is the deal that we want for the future?” That is the work the Department for Exiting the European Union is doing at the moment, looking at and, in particular, talking to different sectors—the automotive industry will be one of those sectors—to ask what they are looking for and what they want to see, so that we can forge the deal and then go out there, be ambitious and get it.

Hilary Benn (Leeds Central) (Lab): Three months ago, the International Syria Support Group agreed, as a last resort, to back air drops to deliver much needed humanitarian supplies to besieged areas of Syria, including Aleppo. However, since then, the only things that have arrived from the sky have been Russian missiles and Syrian barrel bombs, including, as was alleged yesterday, those with chlorine, a banned chemical weapon. Will the Prime Minister tell the House, based on her discussions at the G20 about the situation in Syria, whether that commitment still holds, and if so, when she expects humanitarian relief finally to get through by whatever means to the people who have suffered for so long?

The Prime Minister: I think I can give the right hon. Gentleman the reassurance that there is still that commitment. The situation on the ground has, as he said, made it incredibly difficult for the delivery of that commitment. The issue of humanitarian aid getting into Aleppo was one that I raised directly with President Putin in my discussions with him.

The right hon. Gentleman referred to concern about the sort of weaponry that is being used, potentially, by the Syrian regime. We have been very clear, as he will know, about our opposition to what is happening in relation to that. We are very concerned about the reports that have come forward. Obviously, it is important that these reports be properly looked at. In the longer term, we remain committed to a political transition in Syria, and that will be a political transition to a Syria without President Assad.

Mr Mark Harper (Forest of Dean) (Con): I am very pleased to hear the Prime Minister’s full support for free trade as underpinning our prosperity in Britain and across the world. I had thought, until I listened to the Leader of the Opposition, that that was widely shared on both sides of the House. Given that it is not, and given the worrying noises we are hearing from both candidates in the US presidential election—they both sound not terribly enthusiastic about free trade—will she make it a policy of her Government to campaign for free trade in the United Kingdom and to argue for its merits on the global stage?

The Prime Minister: My right hon. Friend expresses his surprise—I think there was surprise on this side of the House—when the Leader of the Opposition showed his hand in saying that he was not in favour of free trade. Indeed, I suspect many right hon. and hon. Members on the Labour Benches were surprised to hear
that that was the policy of the Labour party. We will be advocates—strong advocates—of free trade, as my right hon. Friend suggested, and we will ensure that we send out that message. As he says, free trade underpins our prosperity.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Like the right hon. Member for Broxtowe (Anna Soubry), we all understand that this is an early stage of the negotiations, but it would be helpful to know more about what the Prime Minister values in the negotiations and about her aims. She talked a lot about free trade, but she is still resisting saying what she actually thinks about the ultimate expression of free trade in Europe, which is the single market. Please will she tell us and clear up the confusion from yesterday? Does she value membership of the single market? Does she think it should be an aim or an objective of the negotiations, and that we should be trying to stay in it if we can?

The Prime Minister: I have to say to the right hon. Lady that I have answered this question on a number of occasions already today. She will find that if people ask me a question, I will give an answer, and if they ask me the same question, they will get the same answer. I think that that is perfectly reasonable and perfectly normal.

Our aim is to get the right deal for trade in goods and services with the EU, but this will be a new relationship. We will be looking to develop a new model of the relationship between the UK and the European Union. As I said earlier, we will not be setting out every bit of our negotiating hand in advance of entering those negotiations, because that would be the best way to come out with the worst deal.

Alistair Burt (North East Bedfordshire) (Con): I welcome my right hon. Friend’s statement, not least what she said on the international concern about some of those on the edges of the market economy: it must be made to work for everyone. On global security, will she firmly back and support the attempts being made today in London by the Syrian coalition to bring forward its own proposals to settle the matter? Will she urge the respective powers that have interests—including the many successful local businesses that will be able to take up those opportunities and benefit from the jobs fair—a lack of respect for the decision that the British people as a whole have now made? It is time to get on with making the best of that in the way that she proposes. I offer the support of Democratic Unionist Members and of the First Minister of Northern Ireland to the Prime Minister as she tries to achieve the best possible deal for all of the United Kingdom and for Northern Ireland in particular.

On terrorism, I ask the Prime Minister simply this: will she ensure that more action is taken to put in place greater deterrents for those who go around preaching hatred and the radicalisation of young people in the United Kingdom? More needs to be done to send out a strong message by ensuring that strong sentences are passed to act as a deterrent.

The Prime Minister: I thank the right hon. Gentleman for his support for the Government’s approach. As he says, that is the sensible way to go forward in the negotiations. I want to ensure that the interests of Northern Ireland are fully taken into account in our work, and that was the message I gave when I visited Northern Ireland shortly after I became Prime Minister. In fact, the message I have given to all the devolved Administrations is that we want that full engagement so that we can ensure that the interests of the whole United Kingdom are taken into account.

On terrorism, it is important that we deal with those who preach hatred. We saw the sentences that were given yesterday to Anjem Choudary and another individual. The whole question of the radicalisation of young people in particular, but also generally, whether online or in other ways, is important and needs to be addressed. As the right hon. Gentleman said, we want sentences that give the clear message that that is not acceptable activity for people to be involved in, but we also need to do the sort of work that is happening through, for example, the Counter Terrorism Internet Referral Unit and within Europe, as well as what we are doing to promote mainstream voices against preachers of hate.

Victoria Atkins (Louth and Horncastle) (Con): After her discussions with other world leaders at the G20, will my right hon. Friend ensure that small and medium-sized businesses are at the heart of future trade negotiations, including the many successful local businesses that will be attending my jobs fair in Louth on Friday?

The Prime Minister: I commend my hon. Friend for holding her jobs fair. I am sure that many opportunities will be offered by local businesses and that many people will be able to take up those opportunities and benefit from the jobs fair.

Small and medium-sized enterprises will play an important role. Earlier in the summer I had a meeting at No. 10 Downing Street with a number of small and medium-sized businesses and representatives of SMEs. What struck me was their optimism about the opportunities now available to the United Kingdom and their willingness to play their part in taking up those opportunities and encouraging the prosperity we want for everyone in our country.
Mr Ben Bradshaw (Exeter) (Lab): Does the Prime Minister accept that, like all developed economies with ageing populations, Britain needs to import labour to thrive? Would it therefore not be an act of extreme self-harm for us to give up our full and unfettered access to the single market out of a dogmatic and arbitrary desire to reduce immigration?

The Prime Minister: It is not an arbitrary and dogmatic desire. We recognise the impact that uncontrolled immigration can have on people, particularly those at the lower end of the income scale. The right hon. Gentleman needs to consider carefully the message that the British people gave in the vote on 23 June. I think that vote told us that they want to see the Government able to take control of the movement of people from the European Union into the United Kingdom, and that is what we will do.

Mr Peter Bone (Wellingborough) (Con): People coming to my constituency and driving along the A45 will see the Rushden Lakes retail development going up with huge steel constructions—the Leader of the Opposition will be pleased to know that 100% British steel is being used there. Does coming out of the EU not give us an opportunity, if necessary, to deal with Chinese dumping of steel? Will the Prime Minister find time next year to come and see Rushden Lakes, as it has some very good shoe shops?

The Prime Minister: My hon. Friend may just have sealed the deal. I commend and welcome the fact that the Rushden Lakes development is using 100% UK steel—that is very good. We need to look at the issue of overcapacity and over-production, not simply as an individual country, or indeed as the EU, but globally. That was why it was so important that we were able to take control of the movement of people from the European Union into the United Kingdom, and that is what we will do.

Caroline Flint (Don Valley) (Lab): I believe in enterprise and wealth creation, but I also believe in fair taxes. The International Monetary Fund and the OECD have both said that if the amount of tax that is owed to developing countries was actually paid, that would greatly dwarf the amount of support they get through international aid. Given the Prime Minister’s statements on tax avoidance, and as we now have public country-by-country reporting enshrined in law, how will she make this issue a priority for the G20?

The Prime Minister: In my interventions at the G20 I was able to refer to the important issue of tax avoidance and the work that needs to be undertaken. The G20 has been playing a leading role in addressing the issue and galvanising action on it. A number of initiatives have taken place, including on the whole question of those who, as I have said, try to use different jurisdictions to resist the payment of tax due. Action is being taken and I was able to refer to the need to push that particular initiative forward. There are other initiatives, too, such as providing support to developing countries for collecting tax within their countries—that tax is needed and should be collected. Initiatives such as the Addis tax initiative are also important. We have played a leading role in the G20 on this, and the G20 is now playing an important global role.

Maggie Throup (Erewash) (Con): I congratulate my right hon. Friend on taking the opportunity at the G20 summit to raise the issue of modern slavery. Will she outline what further steps can be taken to engage with countries around the world to eradicate this evil practice?

The Prime Minister: I am grateful to my hon. Friend for raising the hugely important issue of modern slavery, which is a heinous crime that we need to do more about. I have been encouraging people in other countries to look at the initiative we have taken through legislation—our Modern Slavery Act 2015 is the first of its kind. There is more we can do through law enforcement and other Government agencies working together to ensure that we stamp out the organised crime groups that are behind this terrible crime. In doing that, however, we must never forget that modern slavery takes place here in the UK and that UK individuals are taken into slavery as well. We must not simply think of this as a global issue. We need to act globally, but we need to act locally as well.

Alex Salmond (Gordon) (SNP): Why did the Prime Minister authorise a very public dressing down of the Brexit Secretary merely for telling the House that membership of the single market and free movement of people tend to go together? Is it not possible that the Brexit Secretary, who has believed in this stuff for years, has thought more deeply about it than the Prime Minister, who has been a Brexiteer for a matter of weeks? Can we revert to the traditional practice whereby Ministers are disciplined for misleading the House, as opposed to for the odd occasion when they are caught telling the truth?

The Prime Minister: First of all, I do not recognise the picture the right hon. Gentleman sets out. The Secretary of State for Exiting the European Union very clearly set out that this is not a zero-sum game. As I have said in response to other questions, the Government are absolutely clear that we will go out there and get the right deal for the United Kingdom and that we are negotiating a new relationship with the EU.

Oliver Dowden (Hertsmere) (Con): Is it not vital during this Brexit period that we maintain confidence? Is it not the case that with the opportunity to forge new global trade deals, with record low interest rates, and with the opportunity to free ourselves from burdensome regulation, now is a golden time to invest in the United Kingdom? Will the Prime Minister use forums such as the G20 to continue to make that case?

The Prime Minister: I am very happy to do so—I was doing so in Hangzhou at the G20 summit—but we must also welcome the vote of confidence that has been given in the United Kingdom since the vote to leave the EU. The single biggest vote of confidence came from the Japanese company SoftBank, with the £24 billion investment in ARM, but we have also seen investment from companies such as GlaxoSmithKline. This is a time to be confident about the British economy—the fundamentals of the British economy are strong—and we want to encourage that investment in the UK, which is exactly what the Government and I will be doing.
Mr Pat McFadden (Wolverhampton South East) (Lab): In July, on the “ConservativeHome” website, the Secretary of State for Exiting the European Union wrote:

“I would expect the new Prime Minister on September 9th to immediately trigger a large round of global trade deals with all our most favoured trade partners.”

Will the Prime Minister confirm that she will be able to trigger those deals in two days’ time on Friday, as predicted by her Secretary of State, and which countries will be involved?

The Prime Minister: I was involved in discussions with countries on free trade deals that we can develop at the weekend at the G20 summit; I listed some of those countries in my statement, but there are others. I am pleased about the opportunities we now have and at the willingness of other countries to sit down around the table and talk to us about trade deals.

Nigel Mills (Amber Valley) (Con): Does the Prime Minister agree that for trade to be truly free and to work for everyone, it needs to be free of corruption? Will she update the House on discussions at the summit on tackling corruption and taking forward the actions agreed at the London summit earlier this year? Perhaps she can explain how some of the countries at the summit are a little less keen on taking action and responding to that.

The Prime Minister: My hon. Friend is absolutely right. It is important that we deal with corruption if we are to have free trade deals and people trading freely around the world but, in addition, corruption sadly gets in the way of the ability of some countries to develop their economies, and of people in them taking the benefits that economic development can bring. The G20 collectively was clear that it wanted to continue that anti-corruption work. I made specific reference to the international anti-corruption co-ordination centre, which we are setting up here in London—a number of countries are joining us in that. That is one part of the action that we need to take, but I can assure my hon. Friend that the G20 was very clear that it wanted to continue that anti-corruption work. I made specific reference to the London summit earlier this year? Perhaps she can explain how some of the countries at the summit are a little less keen on taking action and responding to that.

Derek Twigg (Halton) (Lab): Many people are not getting a share of globalisation, especially in this country. What specific measures did the Prime Minister and other leaders agree at the G20 to deal with that problem and to ensure that the benefits of globalisation are given out more equally?

The Prime Minister: The hon. Gentleman is right. As I said in my statement, there was a collective agreement echoing the comments that I made for the United Kingdom that we need to ensure that the benefits of globalisation and economic development are truly shared among people. We need to take a number of steps in order to ensure that. As my hon. Friend the Member for Amber Valley (Nigel Mills) indicated, in some countries, that means dealing with corruption, but there are a number of other areas. I referred earlier to the work we will be doing on corporate irresponsibility, which was picked up and echoed by a number of leaders around the G20 table. Our commitment remains absolutely strong.

Henry Smith (Crawley) (Con): I very much welcome the Government’s announcement this week that they plan to ban plastic microbeads in many cosmetic products, including face scrubs and toothpastes. As well as the moral stance that the Government take in forums such as the G20 on anti-slavery and free markets, my request is that we continue to be world leaders in taking forward environmental policies so that we can protect our marine wildlife and the rest of the planet.

The Prime Minister: I thank my hon. Friend for his comments about our decision on microbeads. They have an impact on marine life and it is clearly right that we ban them in certain products. We are seen to be leading on issues such as climate change, and we can lead on the wider area of environmental concerns.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Public services are exempt from all EU-negotiated trade deals to which the UK is party. Will the Prime Minister commit today to a public services exemption clause in all post-Brexit UK trade deals, which her International Trade Secretary failed to do in answer to written question from me?

The Prime Minister: I refer the hon. Gentleman to my previous references to our approach. We are not setting out at this stage the details of any particular negotiation in which we will take part on trade deals. We will go out there and get the right deals for the United Kingdom.

David Rutley (Macclesfield) (Con): I welcome the Prime Minister’s positive statement. The UK, the northwest, Cheshire, Manchester and Liverpool can rightly be proud of our clear strengths in science, with world-leading projects such as the square kilometre array at Jodrell Bank and, more widely, with life sciences. Will she confirm that those sectors will continue to be central to what the Government do with the northern powerhouse and their new industrial strategy, and central to the new trade deals, which are so vital to the future of our economy?

The Prime Minister: I thank my hon. Friend for that question, which enables me to recall that I did not respond to a point made by the hon. Member for Denton and Reddish (Andrew Gwynne) when he talked about the northern powerhouse. The Government remain absolutely committed to the northern powerhouse. The developments in new industries and new scientific projects such as those to which my hon. Friend has been and remain an important part of that. I assure him that, as we look towards those new trade deals, we will also look at the developments that can take place and what innovative decisions we can take. We want to ensure that we are not only looking at trade in traditional goods and services, as it were, but asking what more we can do and what we can develop for the future.

Emma Reynolds (Wolverhampton North East) (Lab): I thank the Prime Minister for clarifying that her Secretary of State for Exiting the European Union was wrong to rule out membership of the European single market, that her Foreign Secretary was wrong to campaign for a points-based immigration system and that her International Trade Secretary was wrong to say that we are leaving the customs union, but is it not the case that, if we want
to strike trade deals with non-EU countries—I am someone who appreciates the value of free trade deals—we will have to leave the customs union, which will bring disadvantages for UK businesses and foreign direct investment?

The Prime Minister: I will not repeat what I said earlier about our stance on the negotiations but, given what the Labour leader said in the Chamber today, I encourage the hon. Lady to take him to one side and point out to him the benefits of free trade.

Robert Jenrick (Newark) (Con): I am delighted to hear the Prime Minister’s obvious commitment to free trade, but in many respects free trade is on the retreat in the world today. Global trade and investment are on the decline, we have seen a lack of support for it in the United States Congress and from presidential candidates, and, even here, misinformation and scaremongering from some quarters in recent years has led to an erosion of faith in the benefits of free trade among our constituents. Does the Prime Minister agree that, given the centrality of free trade and of signing agreements to the future of our economy, now is the time to put aside that scaremongering, particularly from some parts of the left of British politics, and to believe in free trade and its ability to work for everyone?

The Prime Minister: It was significant that the G20 was very clear that we wanted to take action on protectionism and we did not want a retreat to it. My hon. Friend makes an important and valid point that was discussed at the G20 about the need for all who support free trade to go out there, make the case for it and show the benefits that it can bring. As I said earlier—this has been universally echoed on the Government Benches—free trade underpins our economic growth and prosperity.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): Given, as we understand it, that comments made from the Dispatch Box by the Secretary of State for Exiting the European Union on Monday are to be regarded as personal opinion as opposed to Government policy, and that the remarks made by the Secretary of State for International Trade on the customs union need to be changed and if it is the case that the Prime Minister is to continually amend statements and comments made by her newly appointed Ministers, why did she make the appointments in the first place?

The Prime Minister: The hon. Lady refers to matters that have been referred to in previous questions. I answered those previous questions and I suggest she takes the answer I gave to them.

Mark Pawsey (Rugby) (Con): The Prime Minister has already referred to the very substantial recent investment by the Japanese firm SoftBank. Will she give the House a little more on the reassurances she is able to give to overseas companies to enable them to continue to invest in the UK, as a centre of excellence in manufacturing?

The Prime Minister: I am very pleased to say that we encourage companies to invest in the United Kingdom. There are some real opportunities here in the UK. We are a centre of excellence in certain areas of manufacturing. I referred earlier to the visit I made to Jaguar Land Rover. To see the investment coming into the United Kingdom to reinvigorate that company, to create jobs and growth, is a very good example of what can be done. I want to see that happening across a wide range of industries and across the whole country.

Barbara Keeley (Worsley and Eccles South) (Lab): May I follow the question from my right hon. Friend the Member for Exeter (Mr Bradshaw) on imported labour and people who come to work here? Some 10% of doctors in the NHS are EU nationals and their position is now very uncertain. We know that since 23 June doctors who are EU nationals have been put off applying to work here. Since then, of course, we have had the vicious attacks and the increase in hate crime to which the Prime Minister referred. We need more doctors in the NHS. We have many unfilled training places. What is she going to say to reassure EU nationals working in the NHS, and to the people who should be looking at coming to work here, that we value them?

The Prime Minister: I am pleased to say to the hon. Lady that under this Government we have more doctors working in the NHS. The number of doctors in the NHS has increased since we came into government. On the position of EU citizens, I fully expect to be able to guarantee the status of EU citizens. While we are members of the EU their status does not change. I fully expect, intend and want to be able to guarantee the status of those EU citizens. The circumstances in which that would not be possible would be if the status of British citizens living in other EU member states was not guaranteed.

Mr Stewart Jackson (Peterborough) (Con): During my right hon. Friend’s bilateral talks with President Putin, did she gently but firmly disabuse him of the notion, put around recently by among others the Leader of the Opposition, that this country is less committed than hitherto to its NATO treaty obligations, in particular article 5, and that on the contrary we remain wholly committed to the autonomy and sovereignty of our partners, particularly the Baltic states and Poland?

The Prime Minister: The Government and I are absolutely clear about our commitment to NATO and to article 5. As I indicated earlier, that is a central underpinning of NATO and of the joint security we provide for each other as members of NATO. I think many people will have been shocked and deeply concerned by the Leader of the Opposition’s statement, when he suggested that we would not be signing up to article 5. It is an underpinning of NATO that ensures not only our national security but the national security of our allies.

Steve McCabe (Birmingham, Selly Oak) (Lab): Were there any discussions with the Chinese about the acquisition of the Global Switch data company by the Chinese DailyTech group? If Hinkley Point poses some security questions, would this acquisition not also have some security issues?

The Prime Minister: I answered earlier, in response to the Leader of the Opposition, on how I am addressing the question of Hinkley Point. We have seen Chinese investment coming into the United Kingdom and we
will continue to see Chinese investment coming into the United Kingdom. We have a global strategic partnership with the Chinese and that will continue.

Alberto Costa (South Leicestershire) (Con): Fortuitously, London is the global leader in international shipping. International shipping law is at the heart of international trade. As a former shipping lawyer, I am proud to know a great many London-based international shipping organisations. May I invite the Prime Minister to ensure that her Government make contact with those organisations based here in London to ensure we get the best international shipping deals with international trade?

The Prime Minister: My hon. Friend refers to a number of organisations being based here. The International Maritime Organisation, a very important shipping organisation, is based here in London. I assure my hon. Friend that the Department for Exiting the European Union is looking across sectors of activity to ensure that the views of those sectors will be taken into account as we develop our proposals for the relationship with the EU.

Jessica Morden (Newport East) (Lab): On behalf of steelworkers in my constituency, may I reiterate how disappointing it was to learn that the Prime Minister did not raise with the Chinese President specifically the overproduction of Chinese steel? May we have a commitment from the Prime Minister here today that her Government will do absolutely everything now and in the future proactively to raise these issues? We need the Prime Minister to do that to protect our steel industry.

The Prime Minister: I did raise the issue. I chose to raise it in the plenary session so it was clearly raised not just before the Chinese President but before the other leaders. Crucially, what has come out of the G20 is an agreement to set up a new forum, which will be looking at actions that lead to overcapacity and overproduction. The Chinese will be a member of that forum.

Nigel Huddleston (Mid Worcestershire) (Con): May I first congratulate the Prime Minister on focusing more on policy discussions at the G20 than where she was positioned in the photo-op, upsetting to the Scottish National party though that may be? Will the Prime Minister confirm that, while tackling international tax avoidance through the G20 is vital, there is also a great deal we can do, and indeed are doing ourselves?

The Prime Minister: Absolutely. My hon. Friend is right. I commend my right hon. Friend the Member for Witney (Mr Cameron) for the steps he took as Prime Minister to encourage not only action in relation to tax evasion and avoidance here in the UK but globally. It is an important issue that we need to address. My hon. Friend is absolutely right: we should always look to see what we can be doing here in the UK.

Diana Johnson (Kingston upon Hull North) (Lab): With Saudi Arabia patently failing to carry out an independent investigation into potential breaches of international humanitarian law, will the Prime Minister exercise global leadership and call for that independent investigation to be held so we can find out what is going on in Yemen?

The Prime Minister: As I indicated earlier, I raised with the deputy crown prince of Saudi Arabia the importance of ensuring that any allegations are properly investigated. I reiterate the point I made earlier that we have a relationship with Saudi Arabia across a number of issues. The relationship we have with it in dealing with terrorism is important, because it helps to keep the streets of Britain safe.

Tom Pursglove (Corby) (Con): My constituents and I are enormously encouraged by the international interest shown in signing free trade deals with the UK. Did the G20 discussions confirm my suspicion that interest in doing exactly that is only going to grow? Does my right hon. Friend agree that it is the particular responsibility of every Member of this House to shout from the rooftops for jobs and investment in this country? My constituents’ jobs are, frankly, not a matter of dogma.

The Prime Minister: My hon. Friend has spoken very well on this issue. I confirm that what was very welcome was the way in which a number of countries were coming up to me throughout the summit to say that they wanted to be sitting down and talking to the UK about trade deals. As he says, this is not a matter of dogma; it is a matter of jobs and people’s security. It is a matter of the prosperity of this country.

Mark Durkan (Foyle) (SDLP): In the Prime Minister’s remarks on refugees and migration, she referred to humanitarian efforts but not to human rights. In those words and in her other words today, was she alluding to such things as the Khartoum process, where it is envisaged that refugees in and through the horn of Africa will be concentrated into camps in Sudan, a country whose Government have been bombing their own people and a country whose security forces have been implicated already in nefarious trafficking? Given all that she has said, where is the UK in relation to the Khartoum process? Without it being a matter of commentary on the Brexit exercise, will the UK continue to chair that process on behalf of the EU, pending Brexit?

The Prime Minister: On the second part of the hon. Gentleman’s question, the chairmanship of the Khartoum process will move away from the UK; I think, from memory, that it will go to Ethiopia. It will not stay with the EU; it will be done on a rotation basis. The UK is part of and has been chairing that process.

We have consistently said as a Government—and I did so as Home Secretary—that it is important for us that, if we are going to deal with the significant movements of people that we have seen, including the significant movements of economic migrants across the world, particularly into Europe, we need to work with countries upstream. We need to deal across the board, ensuring not only that people have better opportunities in their home country so that they do not feel the need to come to Europe to grasp opportunities, but that we work with transit companies to stop the terrible trade that often takes place in organised crime groups encouraging the illegal migration and smuggling of people and human trafficking. We will continue to work across all of those.
Mr Shailesh Vara (North West Cambridgeshire) (Con): As we begin the process of leaving the EU, and given my right hon. Friend's experience of the G20, particularly in his conversations with the other world leaders, what is his view of Britain maintaining a strong voice on the world stage after we have left the EU, and of our ability to lead discussions on the issues that matter to us?

The Prime Minister: What I saw in my discussions at the G20 was that our leaving the EU will not have a negative impact on us as a spokesman on the world stage. Indeed, I am very clear that I want the UK to be a global leader in free trade. There are many issues already where the UK has been at the forefront of discussions, including on climate change and tax avoidance and evasion. It is important that we continue to play that role. We are the fifth largest economy. We will be out there as a bold, confident, outward-looking nation, continuing to play a key global role.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Not least in the light of the horrific scenes in Syria over the whole summer, did the Prime Minister have any discussions with others at the summit about how we might better protect civilian areas, particularly hospitals and other infrastructure that has been targeted, perhaps even through using our assets and intelligence, as well as humanitarian airdrops, if necessary? Has she given any further consideration to what we can do?

The Prime Minister: We are all concerned about some of the activities that we have seen taking place in Syria. That is why, as I indicated earlier, we need to put all our efforts into trying to ensure that we can bring an end to this conflict, because of the horrific impact it has had on millions of Syrian people, including some who have left Syria, some who are still in Syria and some who are living in appalling conditions and are under threat of action being taken against them by various forces. We need to redouble our efforts and we need to look—we have been very clear about this—at how we can increase the ability for humanitarian aid to get through to those who need it. Sadly, it is proving to be very difficult actually to put that into practice, but our desire to continue to try to find ways of doing that is still there.

Alex Shellbrooke (Elmet and Rothwell) (Con): Did my right hon. Friend the Prime Minister have the chance to discuss the issues of Ukraine and Crimea with the Russian representatives? At the recent Rose-Roth seminar in Ukraine in June, which I attended as part of my NATO duties, much evidence was presented that ethnic cleansing of the Crimean Tatar people is happening on the biggest scale possible, with some horrendous human rights abuses. If the Prime Minister has not had the opportunity to raise the issue, may I ask her to encourage my right hon. Friend the Foreign Secretary to look very closely at it so that she can be prepared at the next G20 to raise this terrible situation, which is happening right now?

The Prime Minister: The Government’s position on what has happened in Crimea has not changed and I was able to refer to our position on Ukraine in a number of the discussions that I had, but we will continue to return to the subject.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Was the Prime Minister lobbied at the G20 by the Chinese and US Governments about ratifying the Paris climate treaty as quickly as possible?

The Prime Minister: The Chinese and US Governments did, of course, indicate their intention and their ratification of the Paris agreement shortly before the G20 summit started, and I was clear with everybody that it is our intention to ratify it.

Nigel Adams (Selby and Ainsty) (Con): I am encouraged that the Prime Minister has indicated the willingness of countries to instigate trade deals with the UK, but is she confident that we have the correct number of officials, negotiators and people with the correct experience to be able to deliver those crucial trade deals?

The Prime Minister: Obviously, over the years, because of the position of the UK within the EU, we have not developed negotiators on trade ourselves, but we are developing that within the Department for International Trade. I thought it was important to set up a separate Department that could bring in that expertise. We are looking at how we can ensure that. The Department has been building up, but we will look to increase the expertise within it.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): Child refugees face psychological trauma and loss. They are being systematically exploited and abused. What discussions took place to ensure their safety, progress reunification and meet our commitment under the Dubs amendment?

The Prime Minister: The hon. Lady is right to refer to the psychological impact that being a refugee can have on children. That is why, as part of the support that we give as a country, through our Department for International Development support of humanitarian aid for refugees, we provide support of that sort to children. On those refugees who are being resettled here under our Syrian vulnerable persons resettlement scheme, one of the issues that we look at is the support and counselling that individuals might require. On the Dubs amendment, discussions have been taking place with local authorities. That is, of course, a matter for the United Kingdom; it was not a matter for discussion at the G20.

Rehman Chishti (Gillingham and Rainham) (Con): I very much welcome the Prime Minister’s statement. Paragraph 44 of the communiqué looks at the strategy to tackle forced displacement of people and protecting refugees. On this day last year, I asked the then Prime Minister about the creation of safe havens for the protection of civilians fleeing Syria, and I was told that that was the “right sort of thinking”. Were there any discussions with other countries at the G20 about the creation of safe havens, either now or in future conflicts?

The Prime Minister: I understand my hon. Friend’s point and the concept he sets out. It is, of course, very difficult to look at some of these issues in practice in terms of what is happening on the ground. He is right, however, that the communiqué refers to mass movements of people and that we need to think very carefully about
the support that we can provide for refugees. That is why this country is proud of being the second-biggest bilateral donor of humanitarian aid for Syrian refugees.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Thousands of jobs in north Staffordshire are dependent on international trade. Given the Prime Minister’s reluctance to outline her priorities for future negotiations, will she inform us who she is consulting domestically in our industrial centres to ensure that their views are represented in the negotiations?

The Prime Minister: As I have indicated, the Department for Exiting the European Union is looking across and consulting different sectors of the economy on their requirements. I am very interested to hear that the hon. Lady is an advocate for free trade. I suggest that she imparts that to her party leader, who has patently set out this afternoon that his policy for his party is not to believe in free trade.

Richard Drax (South Dorset) (Con): This is the first opportunity I have had warmly to welcome my right hon. Friend to her place, so may I do so? I entirely concur with her comments on a free economy and a manufacturing base in this country that will provide jobs and wealth for all. Will she take into account the effect of green taxes and other restrictions on large manufacturers, to ensure that we can compete properly, on a level playing field, around the world?

The Prime Minister: I thank my hon. Friend for his welcome. I assure him that what he asks will, indeed, be taken into account. One of the benefits of bringing energy and climate change policy into the new Department for Business, Energy and Industrial Strategy is that energy policy can be seen alongside the requirements of business and our industrial strategy as it develops.

Tristram Hunt (Stoke-on-Trent Central) (Lab): First things first: I believe in free trade. Indeed, Josiah Wedgwood, an early constituent of mine, negotiated one of the first free trade pacts with France in the 1770s, but now many of my constituents are employed at the nearby Toyota plant in Derby and they were very concerned by the Japanese Government’s comments about investment in the UK if we did not have access to the single market. What conversations did the Prime Minister have with the Japanese about their concerns? May I ask her to take control of the Brexit negotiations and make sure that jobs and prosperity in north Staffordshire are not put at risk?

Mr Speaker: The hon. Gentleman must be the oldest and most long-serving Member in the history of the House of Commons.

The Prime Minister: Thank you, Mr Speaker.

Let me reassure the hon. Gentleman that negotiations will look to ensure, as I have said in a number of answers, that we secure growth in jobs and prosperity in the United Kingdom. That applies to the relationship we will have with the European Union post-Brexit and to the trade deals that we will be able to strike around the rest of the world. That is where we are focusing our efforts, and we will continue to do so.

Richard Fuller (Bedford) (Con): I thank the Prime Minister for signalling to the G20 that free trade will be the core of British strategy as we leave the European Union, and for indicating that substantial progress can be made on country-by-country trade agreements right now. May I add two things to her list? First, can we establish a distinctively British position in the multilateral trade in services agreement? Secondly, will the Prime Minister have a conversation with the Secretary of State for International Development about how to use this opportunity to enhance the trade facilitation agreement, as agreed at the World Trade Organisation in 2013?

The Prime Minister: My hon. Friend makes a good point. My right hon. Friend the Secretary of State for International Development will certainly be looking at the sort of issues he has raised. I can assure him that, in looking at these trade deals, we will consider every aspect to ensure that what we get is the right deal for the UK. I think that the sort of trade deals we are talking about will be the right deals not only for the UK, but for the countries that we deal with as well.

Owen Thompson (Midlothian) (SNP): Given the Prime Minister’s refusal a number of times to answer direct questions from my right hon. Friend the Member for Moray (Angus Robertson), among others, on whether or not we would remain members of the single market, when will this House be presented with any kind of detail—beyond the soundbites—of what Brexit actually means?

The Prime Minister: The hon. Gentleman is not going to get any different answer from me to the one that I have given on numerous occasions throughout this afternoon. I will simply say this: if we are going to negotiate the right deal for the United Kingdom on trade in goods and services, it would be quite wrong for this Government to give away all our negotiating position in advance of starting those negotiations.

Lilian Greenwood (Nottingham South) (Lab): As the Prime Minister knows, about 140,000 workers in the UK are employed by Japanese firms. My hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt) has mentioned Toyota, but Nissan, Honda and Hitachi all have large manufacturing bases that are vital to local economies and the supply chain. The Prime Minister knows that the huge uncertainty about our future relationship with the EU and the single market is creating difficulties. I want to provide her with another opportunity to say how, in her discussions with the Japanese and others, she tried to mitigate those risks to inward investment and jobs.

The Prime Minister: I am grateful to the hon. Lady, who reminds me that I did not fully answer the question from the hon. Member for Stoke-on-Trent Central (Tristram Hunt) who referred to the issue of Japanese firms. I was able to sit down and discuss these matters with Prime Minister Abe, and the outcome was a positive desire to take forward further discussions on how we can ensure that we are getting the best possible trading relationship with Japan, and that we can continue to see Japanese investment in the UK. I am pleased to say that the single biggest vote of confidence on investment in the United Kingdom since we had the vote to leave
the European Union came, of course, from a Japanese company—from SoftBank with its £24 billion takeover of ARM.

Jim Shannon (Strangford) (DUP): Let me first commend the Prime Minister and her Ministers for the hard and excellent work that has been done to prepare and secure trade deals across the world. An example of a trade deal signed with the United Kingdom of Great Britain and Northern Ireland has just secured us the export of beef to the United States of America for the first time in some 20 years—despite President Obama telling us that we would go to the back of the queue. Does the Prime Minister agree that, for the United Kingdom of Great Britain and Northern Ireland, if the price is right and if the product is of the highest quality, the world is truly our oyster?

The Prime Minister: I absolutely agree with the hon. Gentleman. We can trade many products from various parts of the United Kingdom very well with other parts of the world. They are quality products, and it is the quality of the product that will lead to people wishing to take them.

Clive Efford (Eltham) (Lab): Further to her answer to the hon. Member for Selby and Ainsty (Nigel Adams), the Prime Minister will have seen the reports that we have seen that there is a lack of people in the UK with the necessary experience to negotiate trade deals. Is that a matter of concern to her? Are we being forced to employ people from overseas to do that job because they have those necessary skills?

The Prime Minister: As I said in answer to my hon. Friend the Member for Selby and Ainsty (Nigel Adams), I think it was important to focus the Government’s efforts on trade deals through the creation of a new Department—the Department for International Trade. That Department is building up its expertise and will continue to do so.

Patrick Grady (Glasgow North) (SNP): I do not know whether there was any discussion at the G20 of America’s greatest cultural export, “Star Trek”, which celebrates its 50th anniversary tomorrow and is commemorated in early-day motion 393, but if any of us want to live long and prosper, we must tackle climate change. Given the commitments of the US and the Chinese at the summit, does the Prime Minister regret abolishing the UK Department of Energy and Climate Change? When will the UK ratify the Paris agreement?

The Prime Minister: I think I can honestly say that in all the discussions that I had in the G20 and all the plenary sessions that I sat and listened through, “Star Trek” was never mentioned.

Yes, we will be ratifying the Paris agreement. People seem to think that the commitment of the Government to tackling climate change can only be represented by whether or not there is a separate Department devoted to it. That is not the case. The important point is that we have taken energy and climate change and put them alongside business and industrial strategy, and I think that by doing so we will get a better, more strategic approach on these issues. But I repeat the point that I made to the hon. Member for Brighton, Pavilion (Caroline Lucas) at Prime Minister’s questions earlier by saying that if the hon. Member for Glasgow North (Patrick Grady) is interested in climate change, I would hope that he would congratulate the Government on what we have done in relation to climate change, because we have been at the forefront of encouraging others to take action on emissions.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): We know the Prime Minister raised the issue of steel at the plenary session, but did she also raise it at the bilateral session? Did she have any discussions with the Chinese delegation about market economy status? What powers will the new forum have? I have to say that when states such as China are communist, when the state owns its own steel industry and when it deliberately uses measures to distort the market and undermine the steel industries of other nations, it is a bit rich to hear lessons from the Tory party about free trade. When are we going to get immediate trade defence measures from this Government? For the last four to five years, we have seen an explosion of dumping into the British market by the Chinese state—with zero action from this Government.

The Prime Minister: It is absolutely not true that this Government have taken no action. The whole question of global overcapacity is significant in the steel industry, and it is an issue for other industries as well. That is why it is important that this forum, on which the Chinese will be represented, has been set up. Let us look at the various ways in which we have been supporting the steel sector. The industry had certain asks of us. We secured state aid to compensate for energy costs, and flexibility over EU emissions regulations. We made sure that social and economic factors can be taken into account when the Government procure steel. We successfully pressed for the introduction of anti-dumping duties to protect UK steel producers from unfair trade practices. This Government have taken and will continue to take many steps, because we recognise the importance of the steel industry to the UK.

Joanna Cherry (Edinburgh South West) (SNP): When the Prime Minister was in China, did she have any discussions with the leaders of France and Germany as to which city is likely to replace the City of London as Europe’s financial capital when the City’s current trading relationship with Europe is severed? If she did not, when she does, will she please ask them to consider Edinburgh, which is currently the UK’s second largest financial centre and is the capital city of a country with a Government who are very clear that they intend to remain in the single market?

The Prime Minister: The hon. and learned Lady raises the issue of Scotland and whether it will be part of the European Union’s single market post-Brexit. The decision that was taken on 23 June was a decision of the people of the United Kingdom to leave the European Union. The best thing for growth and prosperity for Scotland is to remain part of the United Kingdom, and I intend to make sure that when the UK has left the
European Union, we will be able to seize opportunities that will be to the benefit of people across the whole United Kingdom, including Scotland.

Andrew Gwynne (Denton and Reddish) (Lab): The Prime Minister is rightly using summits like the G20 to press Britain’s case in a globalised economy. May I press her a bit further on the issue of Manchester’s bid for Expo 2025, which I raised at Prime Minister’s Question Time? Part of the Ashton Moss site is in my constituency.

As the Prime Minister knows, the United Kingdom has not hosted Expo since Dublin in 1907; before that, there was the Great Exhibition in London. The issue is therefore important in terms of national pride. It should also be noted that Expo 2015 in Milan brought 22 million visitors to that city, and a £7 billion investment. Will the Prime Minister meet the Greater Manchester Combined Authority, Tameside Council, myself and other Members, so that she can fully appreciate the benefits of Britain’s putting in a bid for the Expo?

The Prime Minister: I would just say to the hon. Gentleman, 10 on 10—in fact, I think probably 20 on 10—for effort in promoting Manchester as a potential host of Expo. I will listen very carefully about the proposal that he has made.

Geraint Davies (Swansea West) (Lab/Co-op): I do support free trade, but may I ask the Prime Minister whether her vision of free trade is a vision of Britain as an offshore tax haven with lower health standards, lower environmental standards and lower labour rights? Or will she ensure that any bilateral trading agreement with America and Canada does not contain new powers for transnational companies to sue our Government in response to laws that we pass here to protect our environment, our health and our workers through the investor-state dispute settlement clauses in the Transatlantic Trade and Investment Partnership and the Comprehensive Economic and Trade Agreement?

The Prime Minister: I think that the hon. Gentleman has misrepresented TTIP, which has, of course, happened before. All I say to him is that we will be going out there to get the right deals in trade for the United Kingdom with other countries around the globe. We have a real opportunity to be a global leader in free trade, and that is what we will be.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I am sure that, on Monday, members of the European Union delegation to the G20 were delighted that the Secretary of State for leaving the European Union stipulated on the Floor of the House that free trade, or free movement of people at least, with one of its member states will exist when the remainder of the United Kingdom leaves the European Union—that is the common travel area with Ireland. Given that the free movement of people through Ireland and Britain is built on equal rights, will the Prime Minister advise the House that there will be no change at all to the Republic of Ireland Act 1948, as amended in 1949, which gives Irish citizens more or less non-foreign status within the United Kingdom?

The Prime Minister: Discussions were taking place with the Irish Government, prior to the decision for us to leave the European Union, to consider how we could enhance and improve the current arrangements for the common travel area. Of course, those discussions now continue in the future against the background of the different circumstances.

Mr Speaker: I am extremely grateful to the Prime Minister and to all colleagues.
Points of Order

2.13 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. The BBC is reporting that “Newsnight” believes that the House of Commons Committees on Arms Export Controls are going to recommend that the Government no longer sell arms to Saudi Arabia. I make no bones with that; I rather agree with “Newsnight”, but the point is that it says it is doing this on the basis of having seen a draft report from the Committees. The House has always taken the leaking of draft reports from Committees to the media extremely seriously. I hope, Mr Speaker, that you will have an opportunity to speak to the Committees to establish whether that is the case, and if so, what remedial action the House can take.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. What he says about the seriousness with which leaks of copies, or draft copies, of Select Committee reports are taken is absolutely true. He is quite right about that: it is a very serious matter. I do not know whether there has been such a leak or whether there is merely speculation, but I am happy to make inquiries into the matter, and knowing the dogged and tenacious character of the hon. Gentleman, I have a feeling that if I do not get back to him, he will probably return to it. We will leave it there for now, and I am most grateful for him for the public service that he has done in mentioning it.

Simon Hoare (North Dorset) (Con): On a point of order, Mr Speaker. Earlier today, during Cabinet Office questions, it seemed to be suggested by some hon. Members that the Boundary Commission was a gerrymandering organisation, there to act at the behest of the Government. My understanding, sir—and I would welcome your confirmation or, indeed, correction, if I am not correct—is that the commission is entirely independent, that it will come up with its own proposals, and that we, as Members of Parliament, and our constituents will then be able to respond to them through a formal consultation process. Can you confirm, Mr Speaker, that the commission does not act, or come up with proposals, at the behest of the Government?

Mr Speaker: I am very happy to confirm that the Boundary Commission operates, and has always been expected to operate, on the basis that the hon. Gentleman suggests.

BILL PRESENTED

Neighbourhood Planning Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Sajid Javid, supported by the Prime Minister, Mr Chancellor of the Exchequer, Secretary Greg Clark, Secretary Chris Grayling, Secretary Andrea Leadsom and Ben Gummer, presented a Bill to make provision about planning and compulsory purchase; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 61) with explanatory notes (Bill 61-EN).

Workers’ Rights (Maintenance of EU Standards)

Motion for leave to bring in a Bill (Standing Order No. 23)

2.15 pm

Melanie Onn (Great Grimsby) (Lab): I beg to move, That leave be given to bring in a bill to make provision about the safeguarding of workers’ rights derived from European Union legislation after the withdrawal of the UK from the EU; and for connected purposes.

I am delighted to have secured this timely opportunity to highlight some of my concerns about the future of workers’ rights in Britain post-Brexit.

This Bill was brought about by necessity. Despite the warnings from the TUC and others about the potential for workers’ rights to be significantly undermined if we left Europe, the Government have, to date, failed to explain just how they will ensure that that does not happen. I now call on them to take proactive steps to protect employment rights that are not contained in primary legislation and that therefore risk falling away post-Brexit. It is no use adopting a wait-and-see attitude; people in this country deserve to know that their rights at work will not suffer detriment.

Research conducted by the Library has highlighted several areas of legislation that derive either partly or wholly from European directives. They include rights for agency workers, the European Works Council, information and consultation of employees, health and safety, TUPE, the working time directive and the protection of young people at work. Those are the broad areas that could disappear if the Government opted to repeals the European Communities Act 1972, in which case there would be no legislative framework relating to, for example, collective consultations on restructures, redundancies, shift pattern changes or pay. Those are not small, inconsequential or obscure areas of employment law; they are up front and centre for many working people today who, in an increasingly unstable labour market, rely more than ever on the certainty of protections that can be afforded to them under that legislation.

For more than 40 years, the EU has devised laws designed to protect working people from exploitation and discrimination. Trade unions have operated together at a European level to secure agreements across all nations to better protect workers. The rules have ensured that, regardless of any Government’s ideology, hard-fought-for minimum standards have been protected. They have kept those rights a non-negotiable distance away from the potential deregulatory whims of Ministers who may take the view that such rights are no more than cumbersome red tape. After all, we know that the Secretary of State for International Trade—the very Minister who is responsible for negotiating our trade agreements as we exit the European Union—is on record as having said that it is “too difficult” to fire staff. Members of Parliament must not allow the downgrading of workers’ rights to be an unfortunate side-effect of the Government’s negotiations.

In July, on the steps of Downing Street, the Prime Minister referred to those who have a job but do not always have job security. For millions of agency workers in the care sector, retail, security or factory work, the agency workers legislation ensures that they have access
to the same wages and holiday entitlements as permanent workers and have equal access to facilities, vacancies and amenities. That is progressive legislation, which recognises the changing needs of an increasingly so-called flexible workforce, and we should not hesitate to secure our own domestic laws to support those workers.

In recent days, we have been reassured by the Government that Brexit will not undermine workers’ rights. Indeed, the Secretary of State for Exiting the European Union wrote in his July article for the “ConservativeHome” website that, in his view, it is “not employment regulation that stultifies economic growth”.

If that is the case, there should be no barriers to the Government positively reviewing which elements of UK employment law will be without any foundations after leaving Europe unless appropriate alternatives are implemented, and then implementing them. Given that the UK has one of the most lightly regulated workforces in the OECD, it is right the Government should seek to uphold these minimum standards.

Further, much UK employment law originating from the EU has become a basic expectation of reasonable employers. The protection afforded to workers is woven into the fabric of the employment relationship—for example, no discrimination against part-time or fixed-term workers and the right to rest breaks, paid holiday and leave for working parents. All those things are now standard; we should not be going backwards.

If we take a closer look at TUPE—the transfer of undertakings, protection of employees—it is clear the intention is to benefit workers. It means that if someone’s employer contracts out their job role to another organisation, or there is a company takeover, they can expect certain minimum guarantees in relation to these changes. They can expect that there will be a period of consultation. They can expect that there will be reasonable sharing of information. They can expect that any proposed changes to structures, salaries or redundancies will be discussed within the consultation. If they are transferred to the new employer, their salary, holiday and sick leave will all be protected, as will their pension, unless another agreement has been made during the negotiations.

Importantly, rights to representation and recognition of trade unions also transfer, providing certainty and reassurance to affected employees. After transfer, employees continue to be protected unless the receiving employer can provide evidence of operational, technical or economic purposes that make it impossible for them to continue with certain terms and conditions. Even then, they must undertake sufficient consultation before they can make those changes. This is only possible because of the European legislation that provided the TUPE framework.

We should accept a reality here. TUPE and other EU-derived legislation is not perfect. As we have seen with other legislation such as maternity and paternity leave, our Parliament—us, here—can make the choice to go further and offer more than the minimum requirements of legislation. But in this instance, it has not, choosing the least burdensome interpretation of the legislation.

Having taken numerous groups of employees through TUPE transfers as a Union officer, I recognise the weaknesses within the law, but that is all the more reason to be concerned about what would happen if TUPE were not there to act as a check and balance.

Before TUPE, employers were able to make the staff of a transferring unit redundant regardless of whether their job would exist within the new undertaking. Very often, those same staff would have to go through a recruitment process to secure their previous jobs, but often on lower wages, with worse pensions, fewer holidays and increased responsibilities. These were workers such as school meals assistants and refuse collectors who were not even given the chance to participate in any consultation. We surely would not want to place that kind of disruption and uncertainty on workers again by rolling back to the bad old days, but roll back we might.

Without there being any recourse to previous European Court of Justice rulings, we may find ourselves sleepwalking into a situation where recent positive outcomes for workers, such as carers who do sleep-in shifts receiving a full wage for their time, are no longer adhered to as employers seek to cut their costs.

We should not allow the potential for European case law to simply be discarded, as it risks dumping swathes of precedent in favour of re-litigation of settled principles. For example, relatively recent ECJ case law around the calculation of normal remuneration for holiday pay under the working time regulations must factor in non-guaranteed overtime, which is not explicitly stated in the wording of the regulations. If future decisions were no longer bound by that case law, workers would pay the price.

Given the changes in employment-related legislation over the past six years—including reduced consultation periods for redundancy, the extension of qualifying periods of employment for unfair dismissal claims, the introduction of fees for employment tribunals and the attempted undermining of trades unions through the Trade Union Act 2016—there is little to give the British public faith that the Government’s warm words will translate into action.

And what of current proposals in Europe that would bring further protections to UK workers? A right to a written statement of terms and conditions, improved work-life balance and improved rights for posted workers: will workers in Britain ever feel the benefits of such changes?

I have been asked why I have not asked for more in this Bill—extended its reach, filled the gaps in the current system and sought to extend workers’ rights further—but this is not about grandiose positioning. It is based in the reality of the situation we face today. It is right that, first and foremost, stability is provided and the Government do everything in their power to protect what we already have.

Despite being on the other side of the debate, I accept that the British public voted for Brexit, but they did not vote for more insecure contracts, less safe workplaces or anything less than they currently have by way of protection in their jobs.

Question put and agreed to.

Ordered,


Melanie Onn accordingly presented the Bill.

Bill read the first time: to be read a Second time on Friday 18 November, and to be presented (Bill 62).
Opposition Day

Paris Agreement on Climate Change

2.27 pm

Barry Gardiner (Brent North) (Lab): I beg to move,

That this House notes that the USA and China have both ratified the Paris Agreement on climate change; regrets that the Government has not accepted the Opposition’s offer of support for immediate commencement of domestic procedures to ratify the Paris Agreement; further notes that if the UK lags behind its G20 partners in ratifying the Paris Agreement it risks losing diplomatic influence on this crucial future security issue; recognises, in light of the EU referendum vote, the need to maintain a strong international standing and the risk of rising investment costs in UK energy infrastructure; and calls on the Government to publish in light of the EU referendum vote, the need to maintain a strong international standing and the risk of rising investment costs in UK energy infrastructure; and calls on the Government to publish by the end of next week a Command Paper on domestic ratification and to set out in a statement to this House the timetable to complete the ratification process by the end of 2016.

I am delighted to rise to move this motion.

“My country has an unwaivering commitment to pursue the path of sustainable development”: those were the words of President Xi last week when he and President Obama jointly—communist China and capitalist America—announced their ratification of the Paris climate treaty. In a quite extraordinary event, we saw the world’s two superpowers, who are also the world’s two largest emitters of greenhouse gases, locked in an embrace to try to save our species from itself—from so altering our atmosphere that we make it almost impossible for many of our fellow human beings to survive, and destroy countless other species and ecosystems in the process. A few days before they did so, I wrote to our Prime Minister urging her to begin the process of ratification of the treaty by the UK. I understand her office passed the tabling of a Command Paper by the Government and then affirmative resolution by both Houses. The Government have not tabled that Command Paper yesterday or the day before and to use this parliamentary time to enable us in the House of Commons to vote to ratify the treaty.

The hon. Gentleman is wrong. I trust him, and I know that he cares deeply about this issue; I think he knows that I do, too. The olive branch that I extended to the Secretary of State was a genuine one. Plaid Cymru agreed. The Green party agreed. The Scottish National party agreed. The hon. Gentleman is wrong. I trust him, and I know that he cares deeply about this issue; I think he knows that I do, too. The olive branch that I extended to the Secretary of State was a genuine one. Plaid Cymru agreed. The Green party agreed. The Scottish National party agreed. The Green party agreed. Plaid Cymru agreed. When I eventually could write to the Secretary of State and offered to amend the motion to make it the formal vote required by the House of Commons to ratify the treaty. The process of ratification is not unduly complex. It requires the tabling of a Command Paper by the Government and then affirmative resolution by both Houses. The Government have not tabled that Command Paper. In fact, my offer has still not received any formal response. The Scottish National party agreed. The Green party agreed. Plaid Cymru agreed. When I eventually could write to the Secretary of State and offered to amend the motion to make it the formal vote required by the House of Commons to ratify the treaty. The process of ratification is not unduly complex. It requires the tabling of a Command Paper by the Government and then affirmative resolution by both Houses. The Government have not tabled that Command Paper. In fact, my offer has still not received any formal response. The Scottish National party agreed. The Green party agreed. Plaid Cymru agreed. When I eventually could find a Liberal Democrat to speak to, he agreed as well. Here we had Her Majesty’s official Opposition, the Labour party, offering to forgo one of its precious Opposition day debates to do something on a cross-party basis and for the wider good—to create parliamentary time for something the Government had said they wanted to do but could not find the time for—yet that offer was rejected.

Sometimes, I think that people must look at us in this Parliament and say to themselves, “Can they not, just for once, put aside their petty party differences and agree to do something together? Are they really not bigger than this?” The Government had even said earlier this year that they would do this. In March, David Cameron agreed the EU Council conclusions, which underlined “the need for the European Union and its Member States to be able to ratify the Paris Agreement as soon as possible and on time so as to be Parties as of its entry into force.”

James Heappey (Wells) (Con): The shadow Secretary of State knows that I am a great supporter of the Paris climate change treaty, and I hope that we will ratify it as soon as possible, but I cannot help but feel that he is manufacturing a disagreement here. I think that there is consensus on both sides of the House that we should ratify it. All member states of the EU must ratify it in their time, so in my view, his sense of urgency is also manufactured.

Barry Gardiner: The hon. Gentleman is wrong. I trust him, and I know that he cares deeply about this issue; I think he knows that I do, too. The olive branch that I extended to the Secretary of State was a genuine one. Plaid Cymru agreed. The Green party agreed. The Scottish National party agreed. The Green party agreed. Plaid Cymru agreed. When I eventually could write to the Secretary of State and offered to amend the motion to make it the formal vote required by the House of Commons to ratify the treaty. The process of ratification is not unduly complex. It requires the tabling of a Command Paper by the Government and then affirmative resolution by both Houses. The Government have not tabled that Command Paper. In fact, my offer has still not received any formal response. The Scottish National party agreed. The Green party agreed. Plaid Cymru agreed. When I eventually could find a Liberal Democrat to speak to, he agreed as well. Here we had Her Majesty’s official Opposition, the Labour party, offering to forgo one of its precious Opposition day debates to do something on a cross-party basis and for the wider good—to create parliamentary time for something the Government had said they wanted to do but could not find the time for—yet that offer was rejected.

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Andrew Gwynne (Denton and Reddish) (Lab): I am pleased that my hon. Friend has secured this time to debate these matters. The United States of America, China and France have already completed ratification, and other G20 countries such as Brazil and Germany have pledged to do so by the end of the year. All we are asking this Government to do is to set out precisely what the timescale is going to be for the United Kingdom to ratify this important piece of work, but we are not getting any answers from them.

Barry Gardiner: My hon. Friend is absolutely right, but I really hope that we can make some progress this afternoon. The right hon. and hon. Members in the Government Front Bench team know that I have respect for them and that I do not seek to be partisan on this matter, but I will attack them if they do not keep to their commitments and I will continue to do so.

Rebecca Pow (Taunton Deane) (Con): I have great respect for the hon. Gentleman. The shadow Secretary of State knows that I am a great supporter of the Paris climate change treaty, and I hope that we will ratify it as soon as possible, but I cannot help but feel that he is manufacturing a disagreement here. I think that there is consensus on both sides of the House that we should ratify it. All member states of the EU must ratify it in their time, so in my view, his sense of urgency is also manufactured.
think about this very sensibly, and I hope that we will continue to lead the way, just as we have done all along the line.

Barry Gardiner: I am delighted that the hon. Lady has referred to the Climate Change Act 2008 and to the fact that the commitments made under the Act are legally binding on us. Later in my speech, I shall examine exactly what the legislation stated and try to show precisely where the Government have deviated from it over the past couple of years. This is why we have been on a pathway of divergence rather than convergence in this House for the past two years. The bipartisan—indeed, cross-party—approach that used to obtain in the House on these matters has been severely tested by what has been seen as the Government’s backsliding on those legally binding commitments. I shall adumbrate that a little later.

Until this morning, it was not clear to me why the olive branch I had extended to the Government had been quite so haughtily ignored. Then I found out what the Minister had said to the Aldersgate Group and what the Secretary of State had quietly revealed to journalists at his departmental cocktail reception for the ladies and gentlemen of the press yesterday evening—[Interruption.] They laugh. They said candidly that they would not be publishing the carbon plan by the end of the year. Carbon plan? What is that?

This is not the kind of thing that any normal member of the public would think sounds terribly important. If I were to explain that it is really important because it is supposed to set out precisely how the Government are going to meet their carbon budget, that same hypothetical member of the public might look blank, because people do not talk in these terms. They do not talk in terms of carbon plans and carbon budgets; they talk in terms of effects, not budgets. They know that climate change is causing disruption across the world, with more flooding in some places and more drought in others, with stronger hurricanes and typhoons and with the loss of crops and arable land. They know that that is related to the emissions polluting our air and our children’s lungs, and these things are important to them.

That is precisely why we politicians agreed, back in 2008—under a Labour Government but very much on a cross-party basis—to limit the ways in which we were causing those problems. We agreed to reduce and limit those emissions that were changing the world with such devastating effect. That is why we created the Committee on Climate Change to set legally binding carbon budgets that would precisely limit the damage that we were doing, but we tasked it to ensure that we always adopted the most cost-efficient pathway, so that we could move towards the long-term target of at least an 80% reduction in emissions by 2050 at the lowest possible cost to the public, to industry and to business.

That is why this carbon plan is so important. How dare the Secretary of State let slip to a few journalists at a cocktail party that of course he will not be publishing the carbon plan by the end of this year? How dare the Minister reveal to the Aldersgate Group that he “may” find space in the timetable to publish it in 2017? May? May? I ask the Minister to read the primary legislation, which states that after the publication of a carbon budget, the Government must publish a plan to put it into effect “as soon as is reasonably practicable”.

Earlier this year, the Government promised that the reason for the delay was simply that they now wanted to include their measures for achieving the fifth carbon budget in the plan, which they set almost three weeks later than the legislation required. This is another area in which the Government have lost the people’s confidence. The primary legislation is very clear. It states that a carbon budget must be deposited on 30 June 12 years before it comes into effect. The Government published it before then, but they did not set it in legislation, as was required by law, until 19 July—almost three weeks late.

Hywel Williams (Arfon) (PC): I am glad that the hon. Gentleman is making the point that publishing the carbon plan would be very good and a useful next step. He spoke earlier about the pertinence of climate change to ordinary people on the street. The reality is that 222,000 homes in Wales are in danger of flooding. The current cost of remedying that danger would be about £200 million, and that cost is certain to grow. This demonstrates the need for urgency.

Barry Gardiner: The hon. Gentleman is absolutely right. When we talk about such matters in terms of carbon plans and carbon budgets, it can seem as though we are talking about a world separate from that understood by the people who listen to us. They understand when their homes are being flooded. They know that such things are the effects of climate change. What they need to know is that we are following what was the best legislative model in the world when it was set out in 2008 with cross-party agreement under the leadership of my right hon. Friend the Member for Doncaster North (Edward Miliband). We achieved that here and it has become a model across the world, but we must follow it and the tragedy is that this Government have been backsliding.

The reason Ministers could not accept the cross-party olive branch that I extended was that, the night before, they knew that they were about to admit to the world that they still had not a single clue about how they were going to meet the promises and targets that they had already made to keep the UK safe from climate change. They knew that they were not even going to commit to a new deadline by when they might put such a plan together and that to come to this Chamber today—all smiles—in a cross-party endeavour to ratify the Paris agreement would have exposed them to the accusation of being arrogant hypocrites. They have avoided that charge, but they have opened themselves up to an infinite number more: incompetence, dithering, anti-business, anti-investment. They are a party divided between those who circle on the Back Benches saying that all these budgets and plans are just costly “green crap” and that we should get on with a future industrial strategy based on fossil fuels and the few sane heads, some of whom are in the Chamber today—[Interruption.]
Madam Deputy Speaker (Mrs Eleanor Laing): Order. There is some unrest about the hon. Gentleman's language, but I think that in using a word that I would not advise him to use, nor would I use myself, he was in fact perhaps quoting.

Barry Gardiner: My excuse is that I believe I was quoting the former Prime Minister, who used such language about his previous embrace of the huskies.

Madam Deputy Speaker: We will leave the point as to whether it was a quote or a misquote, but I am sure that the hon. Gentleman will temper his language.

David T. C. Davies (Monmouth) (Con): On a point of order, Madam Deputy Speaker. I am not the least bit offended by the hon. Gentleman's language, but if he is allowed to describe green policies in that fashion, I want to clarify whether I will be allowed to do the same.

Madam Deputy Speaker: No. I am grateful to the hon. Member for Monmouth (David T. C. Davies) is one of those who believes that in meeting their climate change commitments the Government are wrongheaded and that man-made climate change is somewhat overblown as a hypothesis. He is, in effect, a climate change denier—[Interruption.]

David T. C. Davies: Up until that point, the hon. Gentleman was quite right and I was nodding. I have never ever denied that the climate changes. In fact, on every single occasion that I have spoken on this subject, I have made the point straightaway that of course the climate changes, but that it has been changing for a lot longer than 250 years. The real deniers are people like the hon. Gentleman who seem to deny that the climate changed prior to the industrial revolution.

Barry Gardiner: I was of course referring to the hon. Gentleman being a denier of anthropogenic climate change, and he knows that.

However, there are sane heads who understand that when the world's largest superpowers ratify a climate change treaty that commits the world to a net carbon future by the second half of this century, it is time to do what President Obama said last week and “put your money where your mouth is.”

Last year, global investment in low-carbon technology was $286 billion. The problem is that investment in developing countries outpaced that in richer nations. We are locked in a low-carbon race and we are losing. The reason I want us to get on and ratify is not because Paris is some sort of totemic environmental symbol, but because political leadership sends a strong signal to attract investment. Countries with a clear policy framework are the ones that attract investment. Countries with a stable policy framework attract investment. The UK has had neither over the past few years.

On solar, the Government plan this month to hike the tax on businesses with rooftop solar installations through a six to eight times increase in business rates. In 2015, they cut all solar subsidy for commercial installations of over 5 MW and reduced the subsidy for the rest by 65%. The Government's own figures show that that has resulted in a 93% fall in UK solar deployment and the loss of more than 12,000 jobs in the industry.

On wind power, the Government decided to end all subsidy for onshore wind farms despite them being the cheapest source of renewable power. For offshore wind, they took away all investment certainty by announcing that they would extend the levy control framework only to 2021.

On biomass, I wrote to the Secretary of State only a few days ago to ask why regulatory changes to the tariff structure of combined heat and power biomass plants were rushed through this summer, using secondary legislation to amend the renewable heat incentive without proper consultation. No impact assessment was made of the risk to business, and trade associations estimate that £140 million of investment is now at risk.

On carbon capture and storage technology, the Government broke their manifesto promise, cancelling £4 billion of promised finance—the latest £1 billion was cancelled last year just six months before it was due to be awarded, sinking the White Rose and Peterhead projects.

On energy efficiency, the Government ditched the zero-carbon homes policy and finally scrapped their green deal policy despite having no idea about how to replace it with other household efficiency measures.

On transport, the Government reduced the vehicle excise duty incentives for low-emissions vehicles. Is it any wonder that in just four years we have sunk from fourth to 13th in the Ernst and Young index of the best places for investment in low-carbon industries?

Just to make the investment picture complete, they took the quite monstrous decision to sell off the green investment bank. A bank that was precisely set up because there was a market failure that the private sector simply could not address. By abolishing the GIB, they are now prepared to starve low-carbon industries in the UK of the investment that they need at a critical phase of development.

However, not all parts of the energy nexus are being hit by this Government. In 2013, they announced that fracking companies would pay half the tax paid by conventional oil and gas producers. The then Chancellor called the tax regime the “most generous for shale in the world.”

CCS, commercial solar, business rates on rooftop solar, onshore wind, offshore wind, biomass, the levy control framework, the green deal—is there any part of our energy sector that I have not mentioned? Oh yes, nuclear. Hinkley—oh dear. Dithering, delay, incompetence and an overpriced contract have led to a contract for difference that will now cost the bill payer, not the Government, not the £6.1 billion originally calculated by the Government but the £30 billion as determined by the National Audit Office.

The Hinkley project has already been delayed for eight years, and the Prime Minister has now thrown into chaos. Two and half years ago, the Government should have reviewed the project on grounds of cost. To do so after the EDF board had taken a final knife-edge investment decision is to show a level of contempt for investors in our energy infrastructure and a lack of understanding of how company boards actually take
Barry Gardiner: The hon. Lady is right to say that we have had an enviable track record on the amount of our renewables and way in which they have been built up. But of course the statistics she referred to were created by the policies that previously allowed the subsidy into the renewable industry. The points that I have just been making show clearly how the Government, in the past 18 months to two years, have withdrawn those subsidies. As I said, the effect on the solar industry was a 93% cut in the projects that are now going ahead—in the panels and the capacity now being installed.

Mr Jim Cunningham (Coventry South) (Lab): The hon. Member for Taunton Deane (Rebecca Pow) mentioned energy investment in this country, but she failed to mention that energy companies in this country often buy in energy from Europe—in fact, they have invested £2 billion to £3 billion in Europe. That does not say much for the Government’s energy policy, does it?

Barry Gardiner: My hon. Friend makes an important point. I had not referred to it in my speech, so I am glad he has drawn the House’s attention to it, because interconnection with Europe is vital for our energy security. It would be a very positive move if the Minister were to talk about the future of energy infrastructure and of energy interconnection with the continent. As I understand it, there is no reason why coming out of the European Union should mean we are not part of the single energy market—that can stand separately. I would very much like confirmation from the Minister that the Government intend to make sure that that is safeguarded, because it is an important way of managing our energy supply.

Instead of using our time today to take a bold step forward, seeking Commons approval for the UK to join the founder parties of the historic Paris climate deal, we have had to hold the Government to account for just how far the UK’s leadership on climate change has fallen on their watch. Leapfrogged by the world’s biggest polluters, we have gone from the world-leading Climate Change Act to where we now sit: with a 47% gap in meeting our target, which we simply do not know how to fill—we have not yet even given a date for the publication of the plan as to when we will fill it. I will rephrase that, because we do know how to fill it. It is by transforming our transport system with electric vehicles whose battery capacity can double up as storage facility and fill that space that intermittent renewable technologies require.

Later today, the leader of the Labour party will set out his ambitious vision for our environmental and energy policy, creating 300,000 jobs in low-carbon industries and using a new national investment bank to invest in public and community-owned renewable energy projects. The Paris agreement demands that we move to a net zero-carbon future in the second half of this century. That requires courage and imagination. It requires a coherent low-carbon investment plan. Today should have been a day when all parties came together to piece together that future in optimism and hope. By turning their back on that opportunity, the Government must explain when they will ratify the Paris agreement and when they will publish the carbon plan to show the British public how they will deliver on that promise.

2.55 pm

The Minister for Climate Change and Industry (Mr Nick Hurd): As you well know, Madam Deputy Speaker, Opposition days are traditionally set up for division. When I saw today’s motion, I hoped that today was going to be different, but 28 minutes later I was really disappointed by the tone the hon. Member for Brent North (Barry Gardiner) set for this debate. That is because, as I hope he knows, I have a deep respect for him personally, and it is widely acknowledged that he has a deep and serious knowledge of this issue and agenda, and, to date, has had a serious commitment to it. His speech, however, was very disappointing. As I said, Opposition days are set up for division. Sometimes the divisions are real and sometimes they are exaggerated, but rarely have I been asked to open a debate where the division has been so entirely manufactured, stretched and distorted, in a way that is really unhelpful and matters. That is at the heart of my disappointment.

Today, we had, and I hope still have, an opportunity to have a substantive and timely debate on an issue of enormous importance. We can take stock, at a pivotal time, of where we are in, what is now, at last, a global effort to manage the risk of dangerous, expensive and possibly extreme climate instability. Arguably—and I have argued this—this is the most complex and important long-term issue that our generation of politicians have to grapple with. It is an issue on which there has been impressive and very important cross-party support over successive Governments, not least when the groundbreaking and enormously influential Climate Change Act, on whose Bill Committee I remain proud to have served, was passed by a majority of 463. Without that cross-party support, British Governments would not have been able to show the leadership we have shown, under different political colours, which has, in turn, enabled us to have the global influence that is at the heart of the hon. Gentleman’s motion.

The motion encourages the Government to get on and do what we have already said we will do, which has been confirmed again by the Prime Minister today: ratify the Paris treaty as soon as possible. I therefore urge the hon. Gentleman, who is widely respected for his knowledge and commitment to this agenda, to resist
what I think I heard, which is an urge to play party games, particularly against a backdrop of a Labour leadership election. That is extremely unhelpful and out of character for him.

Out of respect for the hon. Gentleman, I do, however, want to address his motion and, in doing so, seek to reassure the House and many outside, whom he rightly says are deeply concerned about this issue, that this new Department, led by a highly respected former shadow Secretary of State for Energy and Climate Change, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), who is sitting alongside me on the Front Bench this afternoon, and the new Government remain very committed to Britain playing a full part in the global effort to improve our climate security. There is no backsliding here; we are genuinely committed to this. Why? It is not only because we see climate change as one of the biggest long-term risks to our future security and prosperity—a risk that has to be actively managed—but because we believe that long-term, cost-effective climate action is an opportunity to promote growth, good jobs and improvements to our health, not least through the right to enjoy cleaner air in our cities.

We are committed to ratifying the pivotal Paris agreement, and we see it, as I said last night, as a start. We are committed to the UK Climate Change Act 2008. Arguably, there is no more important proof of that in the short term than the very early unflinching decision to put into law the fifth carbon budget. I pay tribute to the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), who, just hours after he was lured from the charms of chairing the thoroughly agreeable Select Committee to enter Government, was on his feet facing the Opposition Front-Bench team putting the fifth carbon budget into law. Anyone who knows anything about this subject will understand that that is an extremely important and challenging commitment on behalf of the British people. Therefore, there is no more important proof than that the new Department was prepared to make such a commitment at such an early stage in its life.

Gloria De Piero (Ashfield) (Lab): The hon. Gentleman mentioned the importance of green jobs. I represent Ashfield, a former coalfield community, where the pits are now closed and the replacement jobs are not as secure or as well paid. What are the Government doing to get those green jobs to areas such as mine?

Mr Hurd: The hon. Lady addresses a very important and substantive issue, which lies at the heart of this Government’s commitment to forge and commit and put on the tin of this new Department the need for an industrial strategy. As the Prime Minister said, that strategy needs to work for everyone, to create a broader sense of opportunity across the country and to take a very hard look at industries, sectors and places and think about future competitiveness and resilience. It needs to ask such questions as: “Where are the opportunities going to come from?” and “How do we broaden the opportunity for other people?” I am talking about fundamental, deep-seated questions, which my right hon. Friend the Secretary of State is considering.

Fundamental to that incredibly important work is this debate today and the debate about the future of our low carbon economy.

I was just trying to make the point about the importance of the fifth carbon budget, which commits us to reducing our emissions in 2030 by 57% relative to 1990 levels. That is a very major commitment. I will return to our commitment to take effective climate action in the UK, but, out of respect to the hon. Member for Brent North, I will address the issue of Paris ratification, before moving on to address how we intend to maintain our international influence.

We signed the Paris agreement in April and we said that we would ratify it as soon as possible, and we will. For the information of the House—the hon. Gentleman knows this—there are two steps to ratification. First, countries complete their domestic processes to approve the treaty and then they deposit an instrument of ratification with the UN. We signed the agreement as part of the European Union. As many Members know, we negotiated the treaty together and—this point was ignored in the hon. Gentleman’s speech—the convention is that we will ratify it together. That is our understanding. Until we leave the EU, the UK will remain a full member with all the obligations that that entails.

Colleagues will understand that with such a complex process in which so many different countries are going through their domestic processes of approval—we are lucky because ours is relatively straightforward and there is an understanding that we will ratify simultaneously—it has always been understood that the EU was never expected to be at the vanguard of ratification. Indeed, that was confirmed to me by the most senior people involved in the negotiating process and, in part, explains why others have chosen to go first. Of course we welcome that, as we want early ratification of this hugely important treaty.

Barry Gardiner rose—

Mr Hurd: I will just finish my point and then, of course, I will take the hon. Gentleman’s intervention. For the same reason, it is very difficult for us to set the timeline for ratification that the hon. Gentleman seeks. It depends on the timing of the other processes. However, I wish to reassure him and the House that we will start our own process as soon as possible. Although I cannot confirm the exact timetable today because the processes are not complete, we will make a decision and we will communicate it at the appropriate point. The main issue is not whether that decision comes next week, as he seeks, or soon after, but that we fulfil our commitment to ratify as soon as possible. With that I am very happy to take the hon. Gentleman’s intervention and thank him for his patience.

Barry Gardiner: I am grateful to the Minister for allowing me to intervene. He has just said that it was never the intention that the EU would ratify the treaty as one of the founder members, but in March this year, the EU Council underlined “the need for the European Union and its Member States to be able to ratify the Paris Agreement as soon as possible and on time so as to be Parties as of its entry into force.”

The conclusion of the March Council, therefore, was that we would be founder members and that we would
Mr Hurd: Let me be absolutely clear: this Government welcome the shift in dynamic in terms of the ratification process. It is fantastically good news. As the hon. Gentleman has rightly pointed out, the important change—it has been the most important change since I was immersed in this matter in my first Parliament—is the shift in the attitude of the two biggest economies—the United States and China. This is the big game changer. Frankly, that is much, much more important than the exact timing of when we lay a command order in this place. No one is in any doubt about the commitment of the UK to this process. We have demonstrated that commitment under the leadership of successive Secretaries of State—I am delighted to see the right hon. Member for Doncaster North (Edward Miliband) in his place today—over many Governments.

Rebecca Pow: I am heartened by the positivity from the Minister on this subject. The fact that the United States has come forward first with the ratification is largely because Britain was leading the way on this matter. Many of these countries, China in particular, are among the biggest offenders on climate change, so to see them taking part is great. I urge the Minister to continue to lead the way, and I am heartened by his assurance that we will ratify this treaty and that we will be playing our part.

Mr Hurd: I thank my hon. Friend for that constructive and positive intervention. I am delighted that we are doing our bit to shift the tone of this debate, which is much needed. I will go on to address her point about how we intend to maintain our leadership and this international influence.

Dr Alan Whitehead (Southampton, Test) (Lab): The Minister is quite right to point to the two-stage process of ratification, and the question of how the UK will go about that process in conjunction with the EU. The fact is that that process is undertaken in the UK by laying an order to achieve the objectives of an EU treaty, by having it debated by both Houses and by it coming out the other end. That process has already been completed by France, and yet the UK is nowhere near even thinking about it. Is that the Minister’s understanding, or is such a process imminent in this House?

Mr Hurd: The hon. Gentleman has a long and distinguished record. We served together on environmental Committees a very long time ago. I thank him for his interest. He is right on one point. Yes, France has completed its domestic processes. He is entirely wrong on his second point, which was that the Government have not even begun to think about the process. We have, and we will be in a position to make an announcement about this at an appropriate point. I am sorry that it is not today, but we have made it clear, as the Prime Minister set out explicitly today, that we do intend to ratify as soon as possible.

On the important question of international influence, the challenge is not just how we meet our own commitments in the fairest and most cost-effective way, but how we maximise our influence to make sure that others play their full part. Those two aspects are linked, because it is easier for us to keep our people, businesses and private sector with us on this journey if they feel that other countries are fully engaged, and if they see that the global opportunity offered by the low-carbon economy, which I will come to, is real, substantial and growing, and that we must maximise our involvement in it.

I want to address the question of an international instrument, which the hon. Gentleman is rightly and understandably probing and which underlies the motion. UK diplomacy is widely recognised as having played an important role in shaping and securing the Paris agreement. The framework for the commitments to which countries have signed up has clearly been influenced by the structure that we have set up in the UK. That is enormously welcome. Our influence was built not on symbolism, but on substance.

We were the first to put our own house in order, putting world-leading targets into law and implementing the policies to meet them. We then established what is still the most extensive network of climate attachés in our embassies overseas. We gave other countries practical help in areas such as carbon pricing, energy planning, power sector reform, low-carbon urban development, green finance and climate legislation. Climate change researchers are now, apparently, working with the Chinese on the structure of their own emissions trading scheme. In many of these areas, UK expertise is world leading, and sharing it has strengthened our bilateral relationships and opened up commercial opportunities. I pay tribute to Sir David King for the work that he has done over many years with commitment and passion, which he maintains today.

We have also played a leading role in international climate finance. Ahead of Paris, we committed to providing at least £5.8 billion—that is serious money—of international climate finance over the next five years to support poorer countries in raising their level of ambition to reduce emissions and strengthening their resilience to growing climate insecurity. In the Department for International Development, I had responsibility for the climate finance brief. On regular trips to Africa, I saw the exposure, vulnerability and cost attached to lack of resilience to climate change, which made even clearer to me the importance of international climate finance. I am very proud of the lead that we have taken, and of the fact that we have been asked by the global community to take the lead in Marrakesh on setting out the road map for further progress.

We arrived in Paris well respected, with a strong set of relationships. On top of that, the UK negotiating team in the UN is recognised as one of the strongest in the world. It was rightly praised after Paris for playing a key role in bringing diverse countries into the agreement. Before I close on the past, it is appropriate to put on record my personal appreciation, and I am sure that of many colleagues, of the leadership role played by the then Secretary of State for Energy and Climate Change, who is now Home Secretary.

I can reassure the House that all these elements of our influence remain strong. Our bilateral co-operation on climate and energy with key international partners...
remains as wide ranging and ambitious as ever. As I said, our climate finance over the next five years will be 50% greater than it was over the past five years. Our investment in clean energy research and development will double over the next five years, and we are a leading member of a group of 20 countries that have all made such a commitment. The Governor of the Bank of England is leading the way globally on green finance and the important issue of climate risk disclosure. The Bank of England co-chairs the G20’s working group on green finance with the People’s Bank of China. Our negotiating teams across Government remain active and influential, not only on the US process that will meet again soon in Marrakesh, but in critical negotiations on emissions from civil aviation and the maritime sector, and hydrofluorocarbons.

I agree that ratifying the Paris agreement early is important symbolically. That is why we will ratify as soon as we can, but it is not credible to suggest that our international influence hangs on this one symbol when it is so firmly rooted in substance. We in this Government are proud of the leadership that the UK has shown and we have no intention of surrendering it.

Our influence overseas will always rest on our action at home. Few countries can lay greater claim to leadership in decarbonisation than the UK. Through the Climate Change Act, we were the first country to set a legally binding 2050 target to reduce our emissions by at least 80% compared with 1990. That target is in line with the Paris agreement’s goal of keeping the temperature rise to well below 2º C. We have not just set targets; we have acted. At home, just as abroad, we focus not on symbolism, but on substance. We reduced UK emissions by 36% in 2014 compared with 1990. Between 2010 and 2015 alone, we reduced emissions by 17%, which was the biggest reduction in a single Parliament.

On this journey, we have proved something that was in doubt when we started debating the issue in 2005 and 2006: whether cutting emissions comes at the expense of economic growth. We have proved in the UK that it does not. UK emissions have steadily decreased since 1990 while GDP has increased. By 2014, emissions had fallen by 36%, while GDP has increased by 61% since 1990. We have proved that green growth is a reality.

We have invested in clean energy, with 99% of our solar power being installed since 2010. Renewables now provide a greater share of our electricity generation than coal. I am confident that that impressive progress will continue. During this Parliament, our investment in clean energy generation is set to double, and we are on track for 35% of our electricity to come from renewables by 2020.

I will respond to the provocation from the hon. Member for Brent North. As we develop our emissions reduction plan, which is one of the Department’s top priorities, we will set a course towards deeper emission reductions in both heating and transport. The hon. Gentleman asked me about the emission reductions plan and, I think, manufactured a suggestion of gossip from the Secretary of State. The hon. Gentleman totally distorts what I said last night. He needs to check his sources.

The emissions reduction plan matters enormously. Any suggestion from the hon. Gentleman that this Government are not taking it seriously, are sliding away from it or do not understand its importance is misleading and misrepresents our position. It is important for the reasons that he states: to underpin the credibility of our progress towards challenging decarbonisation targets, and because, as he stated, if it is done well, it will send signals to market for investment and for the mobilisation of private capital and the private sector that is fundamental for success. It is essential that we get our carbon reduction plan right.

**Barry Gardiner:** Will the Minister give way?

**Mr Hurd:** I am about to finish. The hon. Gentleman had plenty of time to speak. He knows that I am very laid back, but he stirred me with the approach that he took. The conversations that we are having about the emissions reduction plan—the carbon plan—are driven by the conviction that we must get this right. The hon. Gentleman knows the subject well and he knows the challenge that faces us. We have to take people with us, including a set of new Ministers with critical briefs, who need some time to get on top of the issues at stake because they are so important. We need to engage with the private sector and non-governmental organisations. This has to be a shared challenge. We have to make sure that the process is properly connected with the extremely important substantive and long-term work and thinking being done about the industrial strategy, because Paris, as he rightly said, changes so much—not least because the two largest economies in the world are saying, “We are now set out on a path towards decarbonisation of our power systems and our transport systems.” If we turn that into an estimate of the investment required, it runs into trillions of dollars.

We need to get this right, and all I was saying is that that is the priority. If we can meet all those criteria—if we can do all those things—by the end of 2016, great, but the overriding priority is to get this right, and that is what drives us. I hope that that is supported by Members on both sides of the House who can see that this commitment is important for our UK national interest, as it is for our identity as a responsible global citizen.

I am going to conclude. Our primary task is to manage a risk, but all this investment and innovation, as I have suggested, is creating one of the most important economic opportunities the UK has seen—arguably since the industrial revolution. The global low-carbon market is estimated to be worth more than $5 trillion, and it is now forecast to expand rapidly in the wake of the Paris agreement. Over the next 15 years, it is estimated that around $90 trillion will be invested in the world’s energy systems, land use and urban infrastructure, and an increasing proportion of that needs to be low-carbon if our globally agreed climate goals are to be met. The UK’s leadership and experience will put UK industry in a prime position to benefit.

The UK low-carbon sector is worth over £46 billion across more than 90,000 businesses. It employs more than 240,000 people and indirectly supports many more. There is great potential for it to continue to create high-value jobs in construction, manufacturing and services. That is why—here there is a genuine point of difference with the Opposition—the creation of the new Department for Business, Energy and Industrial Strategy is such an exciting opportunity. As we contemplate the importance and the consequences of Paris, and as we
Rebecca Pow: I thank the Minister for so generously giving way to me again. Are not the Government showing that they really have thought deeply about the situation by linking business with energy and with this new low-carbon era in tackling climate change? This shows a whole new move in the direction of this Government. Does not the Minister agree that this is absolutely the way to go if we are really serious about climate change and linking it with business?

Mr Hurd: I could not agree more with my hon. Friend. More importantly, the feedback we are getting from the business community on this is extremely positive, because they want the Government to join things up, and to think intelligently and for the long term. However, I have to finish my speech because Back Benchers must get in.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I am very grateful to the Minister for finishing. Can he tell us when we will see the emissions reduction plan for the fourth and fifth carbon budgets?

Mr Hurd: I know the hon. Gentleman has been busy talking to his colleagues, so he might have missed the bit of my speech in which I said we were reviewing where we are with that plan. It is massively important, and this has to be done well. We would like to do it in 2016. We are reviewing the whole process now, but if that changes and we feel that there is a case for doing this later, we will make an announcement and a decision at an appropriate point, which is not today.

Mr MacNeil: When we are ready.

Mr Hurd: When we are ready is the answer to that.

The UK always has been and, as the Prime Minister has made very clear, always will be an outward-looking country. Brexit does not change that, and nor does it change our commitment to tackling major international challenges such as climate change. We have an unrivalled set of relationships around the world, and our leadership on climate change is recognised in all the key international groupings. We will continue to use the authority that comes from our domestic track record to shape the international agenda.

Few issues that affect our national and global security, economic prosperity and poverty reduction ambitions are as important as climate change. We can rightfully—across all parties and on both sides of the House—be proud of the role we have played. This Government embrace the challenge of keeping the country on track to meet our long-term domestic commitments fairly and in the most cost-effective way possible. We will do everything that we can to maintain our influence, to make sure that other people play their part and to ensure that, on this long-term journey, we maximise the benefits to British businesses, British consumers and the British taxpayer. I leave the House in no doubt about the Government’s commitment to play a full part in the global effort to improve our climate security. I suggest in all sincerity to the hon. Member for Brent North that he does not press his motion to a Division.

3.26 pm

Callum McCaig (Aberdeen South) (SNP): That was a long conclusion. I have been sat like a taut spring for the last 10 minutes, since the Minister said he was getting ready to conclude—I will clearly take some time to get used to the new ministerial team. However, I welcome the chance to debate this issue as, I think, the House’s longest-serving Front-Bench climate change spokesperson—the irony is not lost on me.

We are here in our quarterly debate on climate change, and it would seem that we regularly discuss these matters. That is important—it is just a shame that it is, largely speaking, the same faces that we see every time. I think there is a wider body of folk in all parties who could do with hearing some of this, and it is, to a degree, regrettable that we see the same faces and largely hear the same arguments. We can push things on somewhat, and I think the shadow Secretary of State is attempting to do that today. I welcome the fact that we are having the debate.

I listened carefully to what the Minister was suggesting, and I am still slightly at a loss as to why we cannot press on with this issue. He said that the Government see the ratification process as a start and that they will start as soon as possible, but, as we say in north-east Scotland, it might be time to nip on a wee bit, because this is genuinely important. The symbolism the Minister talked about is key. The UK has been a leader on this issue, but with ratification by the US, China, France and others, we risk passing the baton to others. That would be regrettable for the UK’s global voice on this issue, but it is also regrettable in terms of the lack of opportunity seen in terms of losing our impetus and our technological lead—the industrial lead we potentially have in deploying the technologies that will make the Paris agreement possible.

A year ago—this is something to be celebrated—we were sat discussing the possibilities of the pre-conference of the parties. I do not think anyone thought that the deal that we have would be quite as strong as it is. There is a lot to be done, but a global deal—a global consensus—to keep global warming well below 2°C, with an ambition to keep it to 1.5°C, is to be welcomed. They are incredibly challenging targets that have been set, and delay in ratification will not help. We need to get on with this. The terms of the debate are shifting. This is not just a subject for NGOs and those who care; it is becoming mainstream in political debate. The world’s biggest asset manager, BlackRock, in a warning to investors, said that we can no longer ignore climate change, and that climate risk factors have been under-appreciated and underpriced because they are perceived to be distant.

We are already 1°C warmer than the long-term trends, and the past three years have been the hottest on record. If that is not a wake-up call to what we need to do, then what is? If we are to keep things below 1.5°C, we had...
better get started quickly. We need to deploy the full range of our technological know-how, here and abroad, or we will miss the one chance that we get to make sure that we do not see catastrophic climate change.

The impacts of climate change here in the UK have been set out by the Committee on Climate Change in its risk assessment: increased flooding, and, conversely, drought; food shortages; and potential damage to critical infrastructure. This is a big country and a rich country. We can probably weather a lot of that—no pun intended—but others are not so fortunate. We need to be planning ahead. We need to get the mitigation and the adaption in place early—otherwise it will be more expensive—but we also need to help others.

The most precious thing that came out of the COP21 agreement is the international consensus, but there is a suggestion that it is already beginning to fray. President Duterte of the Philippines is not someone I would regularly seek to quote, but he said something that is symbolic of the attitude change that we risk causing if we are not serious about getting on with this. He said of the ratification and the INDC—intended nationally determined contribution—for the Philippines:

“You are trying to stymie us...That’s stupid. I will not honour that.”

He did change his tune a bit a little later in addressing the Philippine Parliament, when he said:

“Addressing climate change shall be a top priority but upon a fair and equitable equation. It should not stymie our industrialisation.”

That is a fair point. The greatest irony of climate change is that the countries that have contributed least to it are those that stand to lose the most. Above all, the poorest members of those communities, who have contributed even less, will be the first to see their livelihoods and way of life destroyed by it. We have to address the problem of climate change, but we have to do so with justice at its heart.

The £100 billion of climate change finance that was part of the Paris agreement is absolutely fundamental. That money can be used for adaption and new technologies. However, it has to be new money, and it has to be built on an international consensus that recognises that the rich parts of this world have contributed more than their fair share to creating the problem—to causing the mess—and that we are certain that we are going to pay more of the price in cleaning up that mess.

We cannot have a system where global development is stymied because countries cannot industrialise in line with the model that we agreed. We need to have new models of industrialisation. We need to skip the dirty phase and move on to the clean phases. These countries need to see the investment in solar and wind, and the new technologies that will come. They will need support. Some of that support will come through aid, no doubt, but it also comes in the form of opportunities. We have the technologies and the businesses to do this. We can help. This can be a mutually beneficial partnership with the poorer countries of this planet to help them develop. That is a moral responsibility on us, but it is also an economic opportunity. If someone does not feel particularly compelled to act based on the moral imperative, then trying to make some money out of it, at least, would be a way to go forward. The two things can go hand in hand, but they need the correct support both at home and abroad.

The Minister said that it is really important that, to use his term, there is industrial strategy on the “tin” of Government. That is welcome, but we have to reflect the converse—we cannot have it both ways—and off the tin has come climate change. It has come out of the lexicon of Government. That, to a degree, is regrettable. It may have been an oversight or it may have been deliberate. I do not know about the motivations for it, nor do I particularly care. However, it can easily be rectified by putting addressing climate change right at the very heart not just of this Government Department but of Government as a whole. With all due respect to the Minister, he is not going to solve this problem alone; it will take cross-Government, cross-sectoral engagement with the devolved Administrations and with the business community. That is fundamental to everything we will have to do as a country if we are going to get this right. So let us put it at the heart of what we do, and, as the Minister said, let us make a start.

Let us start with a big, symbolic gesture and ratify the Paris agreement as soon as possible. We can talk about the fact that we have led the world in the Climate Change Act 2008, and I can talk about the fact that Scotland has led the UK in that by exceeding our 2020 targets. We are already seeing a reduction on the 1990 baselines of 45.8%, against a target of 42%. The First Minister has committed to extending that target, because it has already been reached.

That is the sort of high ambition that we need, and we need it across all sectors. We are getting on fairly well with electricity, but we are doing more poorly in terms of heat and transport—the next big challenges. Tackling them will require money, support, innovation and skills, so there has to be the ambition to deliver on that right across the remit of Government.

The shadow Secretary of State talked about the damage that has been caused to investor confidence, and he listed a whole host of things. I gently suggest that just because there is not 100% agreement on this, does not mean that we should risk losing cross-party consensus. If ever there was an issue on which we could benefit from political parties seeking to outbid each other, it is climate change. We should welcome the fact that the Labour party is trying to outdo the Conservative party and trying to outdo us. We should all be trying to outdo each other, because that ambition and desire to see things happen will make them happen.

I have commended, in the past, a number of things that the Government have done. The former Secretary of State for Energy and Climate Change played a great role in leading the high-ambition coalition at the negotiations in Paris, and that is welcome. In a few months’ time, the conference of parties will meet again in Marrakesh. If we are to have these discussions, I would rather that the UK went to the table and was able to demonstrate the progress that has been made in one year. I want the UK to be able to say, “We have ratified our commitment. We are pushing ahead. We have taken x, y and z steps,” and I will come on to what those steps should be. If we turn up without having delivered on our promise, and without having been through the ratification process, it will undermine our position. That would be distinctly regrettable, because our voice,
the soft power and the pressure that have been applied in this area are among the high points of British diplomacy over many years—potentially in my lifetime. That is too precious to put to waste.

In terms of the x, y and z of deliverability, I do not think that the Government’s renewable energy policies, U-turns and so on—in fairness, I am talking about the previous Government—have been welcome. There are unresolved issues and questions about investor confidence brought on by the Brexit vote.

Mr MacNeil: One of the first reports that the Select Committee on Energy and Climate Change undertook was on investor confidence. If there is a plea that I can make to the new team, it is not to lurch and suddenly make announcements, as happened just over a year ago, last July.

Mr Hurd indicated assent.

Mr MacNeil: I am seeing some nodding, so I feel reassured that that will not happen. I am grateful for that.

Callum McCaig: I thank my hon. Friend for his intervention, and I commend his Committee’s report. We had a welcome debate about it before the recess, and it teased out an awful lot of the issues. I do not think that jumping around and that policy change were helpful.

We need to set clear guidelines. We need to set out how the decarbonisation process will look. There needs to be a degree of flexibility to allow for new technologies to emerge, but there must not be a cliff edge. We do not need to march people up to the top of the hill and off a cliff face, as has happened with solar and onshore wind and may happen in future with other technologies. That upsets investor confidence in a way that we cannot afford. It will make doing what we need to do more expensive, as the banks factor additional risk into their financing agreements. We all lose from the ad hoc nature of policy in that regard.

Mr MacNeil: We are talking about climate change, and we have had some positive reaction from the ministerial team, but I hope there will be some revision of locational charging so that for wind resources—they are particularly strong in constituencies in the Scottish islands—it will cost less to bring energy to the market. In continental Europe it costs less to bring it to the south of England. There is a penalty to produce energy in the UK that is not faced by our European competitors.

Callum McCaig: I again agree wholeheartedly with my hon. Friend. To take things forward we need a proper decarbonisation plan. For electricity in particular—he touched on island connections, which we need—a tremendous resource is waiting to be unlocked. Likewise, there is a tremendous potential resource in wave and tidal energy, of which Swansea bay is another example. These big programmes may be costly in the first instance, but we missed the boat with onshore wind in terms of owning and developing the technology, which is where the real money is. With offshore wind, we are part of the way towards making sure we have some of that, although the main basis of the technology is outwith these islands.

With tidal energy in particular, we have the chance to be the world leader. In the past fortnight, fantastic announcements on tidal energy programmes have been made in the north of Scotland by Nova and Atlantis. Such announcements need to be the first of a kind, not one of a kind, but that requires continued access to the market. If I were to make plea above all else to the new ministerial team it would be for them to support and commit to 100 MW of tidal energy, at a CfD of £305. That will be fundamental to delivering the future of tidal energy.

Tidal energy has huge benefits. It is clearly far more predictable than other forms of renewables. It ticks an awful lot of boxes. It may be costly in its initial phases, but it is a new technology. Let us look to the future and not see at as a cost. If I have one criticism of the previous Department of Energy and Climate Change it is that everything was seen as a cost; nothing was seen as an investment. This is a form of investment. If we get the technology right and become the world leader in tidal energy—and potentially in the wave energy to come—such a deployment will provide us with a reliable renewable source of energy, and it will also open up a market. There is a lot of sea and there are a lot of tides in the world. There is astronomical potential for the deployment of tidal technology, so let us not kill it before it has got off the ground. Let us have a pathway and allow it to develop. Let us allow it to bring down its cost, and then allow it to go global.

To conclude, we can have consensus on this subject. We will probably not get it today, but that does not mean it should not be the aim for the future. We can do this, but we need to make a start. Paris is such a start—I agree with the Minister on that—so let us get on and do it. Let us get it ratified, and then get it delivered.

3.42 pm

James Heappey (Wells) (Con): Like the Minister, I was surprised to see the topic for today’s debate given the fact that, as far as I can tell, there is consensus in the House on tackling climate change and ratifying the Paris agreement. I attend many meetings on these subjects, and I know just how heartfelt the concern is for this cause among Opposition and Government Members. To present a picture of disunity is rather unhelpful when there is real consensus of opinion in this place that we must all tackle this real challenge together.

The Climate Change Act 2008 achieved consensus. In Paris, our then Secretary of State for Energy and Climate Change led the negotiations with great style and was applauded for doing so by Members on both sides of the House. The fifth carbon budget was recommended. There had been concern that it would not be adopted, but it was—in full. We can therefore say that the intention of the Government and of this House is that we should continue to decarbonise at best speed.

It will not, however, be as straightforward in the UK, as a member of the EU, to ratify the treaty as it was for the US, China and countries elsewhere to do so. I have no doubt that Her Majesty’s Government remain as committed to it as ever, and that they will come up with a timeline that works legislatively and within the reality of the context of what the rest of the EU is doing. We should not seek to create any concern when none really exists. The Government’s green credentials are absolutely sound—£52 billion has been invested in renewable energy
since 2010, and the deployment of renewables has accelerated under this Government—but we have to balance the energy trilemma. Price, security and decarbonisation are sometimes at odds with one another, so a bit of sense is required in how we proceed. The Government are clear that we will meet our decarbonisation targets, but we will do so without compromising on the other two elements.

I very much agree with the hon. Member for Aberdeen South (Callum McCaig), who quite rightly said that the same people speak in these debates every time. That is a real shame. These issues range far more widely than the interests of those who are interested simply in energy policy and the environment. I am going to have a go at suggesting a line of argument that might attract a wider audience: whatever someone’s view on anthropogenic climate change, there is no reason not to support many of the opportunities that come from our drive to decarbonise.

I will give just three examples, about heat. I visited a district heating system out in east London recently. On the visit, I went into a one-bedroom flat to meet a chap who was on benefits and right on the poverty line, suffering from fuel poverty. Once the district heating system had been installed, he put £30 on to his new meter. He had done so in October; when I went to see him at the beginning of March, there was still £13 left on the meter. He had heated his flat for an entire winter for seventeen quid. That is just extraordinary. It is socially just to adopt such policies; it does not just help tackle climate change.

A hospital in London has installed a combined heat and power station to cut down its energy bills by synergising heat and electricity. It realised that the surplus of heat was an opportunity to sell heat to a district heating system outside. It is doing so at a low cost—again, that is socially just—and the proceeds from the heating network have allowed it to build a new cancer centre. Again, that is extraordinary.

I know of a hotel chain that is installing CHPs. It is making huge savings on its energy costs while still absolutely meeting its customers’ needs for roasting hot water whenever time of day, it is achieving that while saving money and decarbonising.

We must continue the drive towards greater energy efficiency—too much of our heat and electricity is being wasted—and some pretty nifty technologies are available to achieve that. I bring up the point about heat and the need for greater efficiency together to make the point that the marginal financial gains experienced by businesses and homeowners will encourage people to take on these technologies, but we all know that the cumulative effect of their uptake will be a huge reduction in our production of carbon and therefore a huge increase in our ability to meet our targets.

I hope to speak in tomorrow’s Backbench Business debate on the fourth industrial revolution; I will speak at more length then on the incredible synergies I see being achieved when our physical energy infrastructure collides with the really exciting technological innovations that are coming through so rapidly. By seizing those opportunities we are not just seeking to accelerate our decarbonisation, we are developing a world-beating industrial strategy, with green growth and the pursuit of a zero marginal cost of energy right at its heart.

Arresting climate change and splashing out on subsidy are not synonymous. As far as I can see, the renewables sector in this country is succeeding. Offshore wind deployments around Europe are bringing down prices very rapidly. Despite the reduction in subsidy, the solar industry continues to achieve a good rate of deployment. Hydroelectric is coming. Industry is working hard to achieve tidal. A fantastic company in my constituency has employed some of the brightest oceanographers and hydrologists from around the world to look at what we can do with wave power. There are many more technologies beside. Now that we have recalibrated the planning process to empower communities to resist if it is not their will to have it on their doorstep, even onshore wind production is claiming to be able to operate subsidy free.

Sound climate change policy is not about the levels of subsidy. Subsidy can become a crutch if we are not careful. The Government have used subsidy as a lever to grow the renewables industries to the point at which they can go it alone. The direction of travel is clear. This Government are absolutely serious about decarbonisation and meeting our climate change targets.

There is one area where the Government’s policy is not quite so clear. As a Somerset MP, I daren’t not talk about the new nuclear programme. I understand my right hon. Friend the Prime Minister’s wish to scrutinise the Hinkley deal in more detail, but, as far as I can see, new nuclear is the only low-carbon generation technology that is ready to guarantee now that it will meet our baseload needs in the middle of the next decade. We cannot wish away the reality that our existing nuclear fleet will decommission in the next decade or so.

I seek to champion decentralised energy, a digitised smart energy system and the incredible economic and industrial opportunities that come with it, but renewables plus storage is not ready to commit to being our baseload in the timelines we need. Gas might seem cheap now, but gas prices can change. The debate about the Hinkley price compared with the current wholesale energy price is, in my view, a non-starter. We cannot build anything at the current wholesale price of energy. We must judge Hinkley and the wider new nuclear programme not only on the current strike price or the current wholesale price of energy; we must consider the costs of insufficient capacity in a decade’s time.

We must keep prices as low as possible and decarbonise as quickly possible, and we absolutely must keep the lights on—full stop. I am sure that this will be the last set of large power stations we will ever build. I am absolutely sold on all the incredible stuff that is happening to make renewables work, including storage and demand-side management. I believe that our future is not in big power stations, but we have to take a decision now for what will power the United Kingdom in a decade’s time.

As exciting as those technologies are, none is ready to look us in the eye and say, “In 10 years’ time, we will keep your lights on.” The new nuclear programme is. I hope the Government agree and put Hinkley forward at the first possible opportunity.

3.51 pm

Edward Miliband (Doncaster North) (Lab): It is a pleasure to follow the hon. Member for Wells (James Heappey), who spoke eloquently, particularly about the
role that renewable heat can play. I commend my hon. Friend the Member for Brent North (Barry Gardiner) for securing this important debate. He brings huge knowledge and depth to his role and I wish him well in it. I should also take this opportunity to congratulate the new the Secretary of State for Business, Energy and Industrial Strategy. Mention was made earlier of the fact that he was my shadow when I was Secretary of State for Energy and Climate Change. I always respected his ability and commitment on climate change. I was deeply disappointed by the abolition of the Department of Energy and Climate Change but the one saving grace was his appointment and that of his extremely able Minister for Climate Change and Industry. I have spoken to the latter since the election about climate change. I do not want to damn his career too much, but I can say that he is a class act, as we will hear when he speaks.

Having got the niceties out of the way, I should add that, when I was thinking about my speech for this debate, I recalled a number of things the Secretary of State said when he was my shadow. Among other things, he called for more generous feed-in tariffs than the ones I proposed; for more generous commitments on carbon capture and storage; and for more generous resources for the renewable heat incentive. I look forward to his making good on all the aspirations he had in opposition now that he has the chance in his new role.

In the main, I want to talk about the impact of Brexit on climate change, but I should mention in passing that I could not help hearing in the Minister’s remarks the wheels of government grinding on the issue of domestic ratification. As his speech went on, we got more of a sense that it would come more quickly than slowly. I encourage him in that, because my hon. Friend the Member for Brent North is right about the signal it would send.

The central issue for UK climate policy is Brexit. That is the unavoidable context for discussions about climate change. I have been nice about the Minister of State. I am not going take it back, don’t worry—maybe he’d like me to. He talked about British diplomacy. There is a big elephant in the room for British diplomacy on climate change: Brexit. We have to address it. I understand that the Prime Minister says she does not want a running commentary—fair enough—but there is a difference between a running commentary and a Trappist vow. There cannot be a Trappist vow. We have to engage with the many, many hard questions raised by Brexit for UK climate policy. Saying “Brexit means Brexit” does not really solve the problem.

The case I want to make is this: first, our membership of the EU has helped us to be a persuader for global action on climate change. Secondly, the ability to persuade is needed more than ever after the Paris agreement. We all know the issue in the Paris agreement: an aspiration to keep global warming below 1.5°C with pledges that add up to about 3°C. Thirdly, Britain’s ability to be that persuader for greater ambition is gravely endangered by Brexit. We cannot shy away from that. The real issue I want to focus on is this: the kind of Brexit we opt for whether it is hard Brexit, which leaves Britain on its own, or whether we forge a new close relationship with the European Union—will be absolutely crucial to the issue of UK influence and the world’s ability to tackle the problem of climate change. That is why, having paid them nice compliments, I want to say to the Secretary of State and the Minister of State that they have a big responsibility in this process— I am sure they are aware of it—to ensure we have the right outcome in these negotiations on climate and energy.

The starting point for addressing this question is to understand that, in this area and in many others, the debate about our co-operation with the EU has not somehow ended with the referendum. It is only just beginning. I was on the remain side, but we all know the reality: the British people did not vote for a particular model of Brexit. They voted to leave the European Union, but the model we decide now has to be a matter of detailed debate and negotiation. As the House knows, in the international negotiations on climate change we currently negotiate as part of the European Union. As part of the EU, we are on a par with players such as China and the United States. The EU is responsible for about 10% of global emissions and Britain is responsible for about 1%. In the EU, we have been a successful advocate of strong European ambition on climate change. We have been—mention was made of this earlier in the debate—at the forefront of landmark international agreements, punching above our weight as a country. To be fair, we have seen that under Governments of both parties: at Kyoto in 1997, with the role played by John, now Lord, Prescott; and just last December, to give her rightful credit, with the role played by the last Secretary of State for Energy and Climate Change, now the Home Secretary, in the negotiations around the Paris agreement.

We in this House should be proud of what Britain has been able to achieve, but we should be under no illusions. The influence and role that Britain has played in the past two decades on climate change, which has been hard won, is now gravely at risk. The danger, in this area and in many others, is that we are outside the room when the big decisions are made, or are in the room as bit-part players. A recent paper from Chatham House, the respected international think-tank based in London, said that the danger of Brexit is that we would “move alongside other second-tier powers such as Australia, Canada and South Korea”.

All those countries have played varying roles on the issue of climate change, some of them important and honourable, but we have had greater influence. I want to preserve that influence.

There is another danger. We have been persuaders for ambition in the European Union and the real danger is that our absence from the EU waters down and dilutes the commitment of the EU. The danger is that our absence tips the centre of gravity away from the high-ambition countries to those countries that have more anxiety about the issue. That is why the implications of Brexit are not just self-serving ones about Britain’s influence in the world and on climate change; they are also about the world’s ability to make the right things happen in the fight against global warming.

The risk that I have described about Britain’s influence comes with other associated dangers, including for the role of British science and research, which I am sure the Secretary of State and the Minister are concerned about and which draws huge benefit from EU resources, and of the European Investment Bank, which in the past few years has either loaned or given the UK a quarter of the money for energy and climate change
I want to be clear: we would not continue to be members of the European Union—our status would change—but we would be crucial partners, and in my view that is completely consistent with the referendum. We should do that because it is in our national interest. Whether Members think we have gone too far on climate change or not far enough, nobody in this House, on whichever side they sit, has an interest in diminishing our influence. I think it is just objectively the case that we are in real danger of diminishing our influence as a country on this vital issue for the future of our people.

That provides some thoughts about where we need to go and where we need to take our new relationship, but there is a hard truth here for Government Ministers. For this to happen, it requires those in government who are sensible and who care about these issues to stand up to those who want hard Brexit. Let us not be under any illusions: hard Brexit is about detaching ourselves from the EU on all these issues. It is about some form of free trade arrangement, although goodness knows what, when what is at the front of the Government’s mind gets more confusing by the day. Leaving that to one side, it is not about having these kind of relationships.

I view the three Ministers who are in their places on the Front Bench as people who all care about these issues, so I urge them not to leave their climate convictions at the door when it comes to the Whitehall battles around Brexit. As I said at the outset, I do not doubt their commitment, but they have got to prove it in the proposals that the Government eventually produce.

Finally, I believe in the principle of co-operation with our closest neighbours in Europe, and I believe that we are strengthened, not diminished, as a country when we do that. Climate change is just one example of where that is the case. That was true before the referendum, and it is true after the referendum as well. I think that both the Secretary of State and the Minister of State know that, too. The stakes could not be higher on this issue and on what unfolds in the coming months and years. We will hold them to account, because Members of all parties care about not just tackling climate change, but making sure that we can continue to push above our weight as we do so and get the right outcome for humankind. A lot rests on those Ministers’ shoulders; if they make the right decision, we will support them on it.

David T. C. Davies (Monmouth) (Con): I begin by welcoming the new Ministers and indeed the new Department. I am very pleased at the fact that industrial strategy is going to be a huge part of what is going on. I think it is impossible to separate industrial strategy from climate change and energy.

With the greatest respect to Ministers, experienced though they are, I suggest that when their teams of advisers and experts tell them that the temperature is rising directly as a result of carbon dioxide, they should merely deploy the scepticism and intelligence that I know they have and ask a few pertinent questions. They should at least try to get some rational answers before embarking on decisions that will have a huge impact on industry, particularly energy-using industries such as the steel industry, which is an important one for me.
I do not intend to speak for too long today, but every time I speak on this issue, I deliberately and repeatedly make the point that I accept climate change. I have never tried to deny climate change; in fact, I have never met a scientist who does. The climate has always changed, and the ice age is testament to that. Those changes have gone on over the course of millions of years, and over the last 2 million years, we have seen ice ages usually lasting about 100,000 or so years, followed by interglacials, which are usually about 10,000 to 12,000 years. We are possibly coming towards the end of an interglacial at the moment, so we might want to turn our thoughts to what will happen when the earth inevitably starts to get cooler, as it will.

Of course I do not deny that the climate will continue to change; no sensible scientist has ever done so. The point I always make is that the climate change we have seen over the past 250 years is not particularly exceptional. Although it is of course true that carbon dioxide is a global warming gas—there is no doubt about that either—and that if we have begun to emit more carbon dioxide, it follows logically that it must have had some effect on the climate, that does not mean that it is responsible for the relatively small increase in temperature seen over the past 250 years.

I believe that the hon. Member for Aberdeen South (Callum McCaig) said that the temperature had increased by about 1°C, and in common with many other commentators, he has linked that directly to increases in carbon dioxide emissions. In fact, it was warming anyway that is generally agreed on—it is, of course, open to question—is 0.8°C, but even the Intergovernmental Panel on Climate Change recognises that a significant amount of that is not due to man-made carbon dioxide emissions. The first question that I would put if I were ever to become a Minister in the Department—which I accept is probably an unlikely proposition—is, “What percentage of that 0.8°C has come about as a result of man-made carbon dioxide emissions, and what percentage is due to the natural forcings that we know are there?”

I have mentioned the ice ages and the interglacials, but over the last 2,000 years there has been a well-documented series of climate changes that have had nothing to do with carbon dioxide emissions. We know, for example, that 2,000 years ago, when the Romans ruled Britain, there was what was called a Roman optimum, a warmer period. That was followed by the dark ages, when things were cooler. There was then a medieval warming period during the Renaissance, which was followed by what was commonly referred to, and scientifically recognised, as a “little ice age”. That came to an end in about 1800, which, coincidentally, is when we started to industrialise.

Another important question that I would love to put to experts—in fact, I have put it to experts on many occasions, but have never received a rational answer—is, “How much of that 0.8°C increase in temperature is due to the fact that the temperature was warming anyway because we were coming out of a particularly cool period, when the Thames”—just outside the House—“used regularly to freeze over so solidly that ice fairs could be held on?”. Some of that warming is clearly natural.

If people are still not convinced, we can look at the correlation, or rather the lack thereof, between carbon dioxide emissions and the temperature increases that have taken place since industrialisation. If it is the case—as some of the more alarmist commentators would have it—that this 0.8°C increase has occurred directly as a result of carbon dioxide emissions, it would logically follow that one could correlate a line between carbon dioxide emissions that have taken place since, say, 1800 and temperature increases, but obviously, if we look at the graph, we find that there is no such correlation. We see that over the last 250 years there have been periods, once again, of warming and cooling, regardless of carbon dioxide emissions. In the first part of the 20th century, for example, there was a significant warming. From 1940 until about 1970, or probably a bit later, there was a significant cooling, which led to people beginning to suggest—

Dr Whitehead indicated dissent.

David T. C. Davies: The hon. Gentleman shakes his head, but that is a fact. There was a cooling from the 1940s onwards. That is why, when I was growing up in the 1970s, people were worried that the next ice age was coming.

From the mid-1970s until about 1998 there was a significant amount of warming, but from 1998 until now there has been no statistically recognisable warming. People keep referring to the third hottest year on record, or whatever it is, but the reality is that when we look at the actual temperature increases, we see that they are absolutely minute. They are almost impossible to detect. Scientists who are asked about it will also have to admit that the margin for error within those increases is much greater than the increases themselves. Given the level of increase that we are seeing, it is perfectly possible to explain it away, because we are not comparing like with like. We are using slightly different temperature gauges, the areas in which we are using them have moved, some of the areas that they are in have changed over the years, and they can be subject to something called the urban heat island effect or to other natural factors. So there has not really been an increase since 1998.

Members may shake their heads, but I have raised this with the Met Office, and also with Professor Jim Skea. Scientists refer to it as the Pause, and they have come up with numerous explanations for it. I have heard about volcanoes, for instance, and the heat going into the ocean. At a meeting in this building, Professor Skea suggested that a pause over 16 or 17 years was statistically insignificant, which prompts an obvious question: if 17 years of temperatures not rising are statistically insignificant, which prompts an obvious question: if 17 years of temperatures not rising are statistically insignificant, why are 30 or 35 years of temperatures increasing slightly so significant that we have to make radical changes to our economy and our industry to try and tackle that?

Barry Gardiner: Of course I have not dismissed the possibility that the hon. Gentleman might be right and that all the meteorological experts in the world are simply mistaken, but does he accept that if his thesis that there is natural as well as anthropogenic warming is correct, we are in a much worse position than we had thought, and therefore anything we can do to minimise the anthropogenic causes becomes all the more important, rather than less so?

David T. C. Davies: I do not of course dismiss the possibility that the experts may be right. I have never said they are wrong; I have merely suggested that they
[David T. C. Davies]

ought to be able to answer some fairly basic questions if they expect us as policymakers to go ahead with policies that are going to be profoundly unpopular with the public and which, in many cases, the NGOs that support those policies will not support the consequences of—I will come back to that. The point the hon. Gentleman is making is that if some of this warming is natural, the amount of warming that is not natural is that much greater in terms of the percentage of CO₂ that has caused it. [Interuption.] Well, there is another issue that I am tempted to go into, but I have been asked by the Whips to keep it short and I will respect that, and that is whether or not this is a logarithmic increase. In other words—[Interuption.] Yes, I am getting looks from all around. In simple terms, if X amount of CO₂ has caused Y amount of warming, would 2X of CO₂ cause twice as much warming? People seem to have made the assumption that it would, but of course, in nature things often do not work that way.

Let me return to the Paris agreement. It talks about limiting temperature increases to about 2° of what they were in pre-industrial times. With due respect to the Minister, which pre-industrial times is that? I do not mean to look angry, but which times is he talking about? Presumably 1800 is about the base figure, but pre-industry goes on for about 4 billion years longer than that. We could quite easily go back a few years further and say 2° above temperatures in the medieval warm period, when they were around the same level as they are now. They were around the same temperature as they are now in the Roman optimum, too. I am probably going to mess this point up, but a Greek philosopher—I think he was called Thracius—was writing about date trees in Greece and how they could be made to grow but could not produce fruit, therefore intimating, through that, that temperatures were about the same then as now in Greece because date trees behave in the same way as they did 2,000 years ago. The point I am making is if we took as a pre-industrial basepoint the year 10 AD we could probably carry on merrily putting CO₂ into the atmosphere for quite a while yet before we hit 2° degrees above that period.

James Heappey: My hon. Friend is an oracle on these things. I do not share his analysis, but if he is right does he not still agree with me that a low-carbon future with its clean air and low cost is surely something to be embraced and sought anyway?

David T. C. Davies: My hon. Friend is making the assumption that carbon dioxide is some sort of pollutant. It is not. Sulphur dioxide is a pollutant, and we have done wonderful things in getting rid of that. Carbon dioxide is actually the elixir of life, and a small increase in carbon dioxide has a very beneficial effect on the ability of farmers to grow crops. So I do not accept the premise of my hon. Friend’s question, which is that CO₂ is a naturally bad thing.

I would of course accept that we should concentrate on making sure our air quality and environment are good. I have been a surfer for 20 years—or I was until I had children, anyway—and I strongly believe in the environment. I was a member of the environmental group Surfers Against Sewage for years. I am not some kind of lunatic who wants to tear the environment apart and build everywhere, but I do have concerns about policies that are going to be enormously costly and have an impact on businesses, including some in my area.

I suggest that Ministers should ask themselves whether they actually believe what the NGOs that call on them to adopt certain policies are saying. A good point was made earlier about nuclear power. I believe it is absolutely safe. It is very interesting that whenever anyone proposes a nuclear power station somewhere, some of the biggest supporters are the people who live in that area. In Anglesey, or Ynys Môn, the Wylfa site is being supported by Members of Parliament right across the political spectrum, including those of Plaid Cymru, who normally try and paint themselves, literally and figuratively, as the most green party of them all. When it comes to nuclear jobs, Plaid Cymru is very enthusiastic about nuclear power and I commend it for that. It is right to be so. Let us contrast that with what happens when people want to put up wind farms. I know of Liberal Democrat politicians in Wales who will bang the drum for wind farms at every opportunity until someone suggests that one should be constructed in their own constituency, at which point they come up with all sorts of reasons why that should not happen.

One of my concerns is that green groups—and perhaps the hon. Member for Brent North (Barry Gardiner)—say that global warming is the greatest threat to mankind but then oppose proposals for a nuclear power station, which could resolve some of our energy problems without creating any extra carbon dioxide. The same attitude has been shown repeatedly by green groups towards the Severn tidal barrage. I do not know whether that project would stack up economically, but from an environmental point of view it has the capacity to produce about 5% of the UK’s electricity without creating carbon dioxide emissions.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): One word: Sellafield.

David T. C. Davies: The hon. Gentleman will no doubt take the opportunity to discuss that with his close colleagues in the Welsh national party, Plaid Cymru, who are incredibly enthusiastic about the prospect of a nuclear power station in a constituency that it represents in the Welsh Assembly. No doubt that will be an interesting discussion.

My concern is not so much that we are adopting renewable energy schemes, because I understand the arguments about the need for energy security and diversity, but if we go too far, we are going to end up adopting energy generation systems that will cost a lot more money. I have had a lot of emails recently from environmental groups complaining about Hinkley, saying, “Mr Davies, it costs too much. Solar power and wind power would be much cheaper than Hinkley.” I am tempted to suggest that the Secretary of State should have a look at those emails and, on this basis, perhaps cut the renewables subsidies further and bring them down below the £92.50 per MWh that we are promising for Hinkley, given that we are paying up to £150 for some offshore wind farms.

I also get frustrated when I receive emails from Friends of the Earth, Greenpeace and all these other environmental groups complaining about fuel poverty, because fuel
poverty will get worse if we continue to have to pay more for our electricity because we are adopting schemes that require strike prices. Similarly, I cannot understand why Opposition Members and non-governmental organisations will not support fracking, when it is quite clear that if we get rid of our coal-fired power stations and instead use gas that is produced in this country, we can create jobs and cut carbon dioxide emissions. That is surely something that they should support.

I do not want to be a thorn in the side of Ministers. I understand many of the concerns that people are expressing, and I hope that Ministers will put the pertinent questions to the experts. I also hope that they will remember at all times that it is rising temperatures about increased energy prices that have caused companies such as Tata to consider closing down in Wales. That is the big cause for concern, rather than rising temperatures, which mankind has coped with quite happily for thousands of years.

4.23 pm

Dr Alan Whitehead (Southampton, Test) (Lab): The hon. Member for Wells (James Heappey) described the hon. Member for Monmouth (David T. C. Davies) as an “oracle”. I cannot resist observing that the oracle at Delphi was a priestess known as the Pythia who raved incoherently under the influence of the noxious gases coming up from beneath the earth’s surface and whose comments were then translated by the priest for the delectation of the general public. I shall simply let that observation fall to the floor, for what it is worth.

Today’s debate is about not just the ratification of the Paris accord, but the consequences of their ratification for the UK, and the ability of the UK to ratify them in good faith and good order on the basis of what it recognises as the commitments it will undertake as a result of being a party to the accords. In that context, it is important not only to clarify one or two points about the ratification process, which we have already done to some extent today, but to review the process and how it relates to issues such as the existence or otherwise of a low-carbon programme that actually sets out what we are committed to. I would have thought that it would have been a particularly good idea—or should be particularly good idea—to make the low-carbon programme available at the same time as the consideration of the ratification process so that we could have the full raft of information in front of us, but I will return to that point in a moment.

It is clear that the ratification process has two stages, as we have discussed, and that the UK’s particular responsibility now is to put an order—the EU treaty converted into an order—in front of the House and to get our bit done, which, as I mentioned in an earlier intervention, France has managed to do. That is important not only to get the business done for our country, but to ensure that the EU ratification is made as speedily as possible by getting the full process undertaken, especially by the heavy-hitters such as the UK, at the earliest possible time.

It is also important to clarify what we are undertaking in the ratification with the rest of the EU. As my right hon. Friend the Member for Doncaster North (Edward Miliband) underlined earlier, we need to clarify our ratification position as the Brexit process is undertaken. As far as we are concerned, the INDCs that were put on the table in Paris form part of the European bloc for the international negotiations. We have a joint INDC with all other EU member states, and the commitments that come from that relate to ambitions not for 2050, but for 2030, given the 40% reduction in emissions between 1990 and 2030 that was jointly agreed among all participating EU states.

The INDCs will then be the subject of progress reports. The INDCs together represent a reduction in temperature of substantially less than the 2°C/1.5°C ambition, coming in at 2.6° or 2.7° in the overall INDCs. Therefore, the conference of the parties progress reports on how the INDCs are going will not only consider whether countries have carried out their INDCs, but form part of a process of strengthening them over time to get further commitments and to move them down towards a reasonable target or ambition for global temperature stability.

In those circumstances, by my reading, we will be in the first review period just at the point when we will be undertaking Brexit, so the INDCs that we had negotiated jointly with the EU may no longer be seen as tenable for the UK. The question we may have to start to face in those international negotiations is: do we, as my right hon. Friend the Member for Doncaster North said, seek to nail ourselves down in the EU discussions on the INDCs, or do we decide at some stage that we are somehow going to develop our own INDC, which will be recalibrated from whatever it is we think we have allowed ourselves to be put in line for within the EU? If we do that, does that recalibration indicate a lessening or an intensification of our commitment? Better still, is there simply an agreement that, whatever else Brexit may say, we are committed to that joint INDC on the basis of whatever is shared out by the EU as the process goes forward? I would value a thought from the Minister about what the intention on the INDCs might be, because that is important for clarifying our long-term commitment over the next period in reality.

Notwithstanding that, the ratification process will take place on the basis that we are committed to being part of the European basket of a 40% reduction by 2030 as our offer from Paris and beyond that. The question of the missing low-carbon programme therefore starts to loom large because, as a result of Paris, we need to know whether the UK is really able to deliver on that 40% reduction, be it separately or as part of that EU programme. The whole issue of ratification must have that as one of the questions within it—are we able to do what we said we would be doing at the time of the agreement?

At the time, it was welcome news that the Government went ahead and agreed to the fifth carbon budget, and that they did so without any suggestions that there might be caveats attached, unlike what happened with the fourth carbon budget. That sent a clear signal about what our overall ambitions should be. A question then arises about the fourth and fifth carbon budgets moving forward, and whether we can fit what we have agreed regarding the INDCs into the process of agreeing those carbon budgets and their consequences. That is where we start to have a problem. I am increasingly concerned about whether we have the policy instruments in place, and the wherewithal to get to a position where we can say, hand on heart, “Yes, we are in this seriously.” Indeed, that concerns not only me, but, more importantly, the Committee on Climate Change. Its recent progress
[Dr Alan Whitehead]

report to Parliament on carbon budgets made the important point that although, as the Minister mentioned, our progress on tackling overall emissions has historically been looking pretty good over the recent period, with emissions falling by an average of 4.5% a year since 2012, that has been almost entirely due to progress in the power sector, not progress in the rest of the economy.

The Committee on Climate Change says that, in the rest of the economy, emissions have fallen by less than 1% a year on a temperature-adjusted basis. It specifically says that that is because of a slow uptake of low-carbon technologies and the behaviour of the building sector—low rates of insulation improvement and low take-up of low-carbon heat—as well as because improved vehicle efficiency has been offset by increased demand for travel. It also says that there is minimal evidence of progress in the industrial and agricultural sectors. The Committee is beginning to sound alarm bells about the extent to which we will be able to make the progress that is needed if we are to carry out those INDCs properly.

The Committee on Climate Change points out that, even as far as the energy sector is concerned, some areas have seen progress. It says that funding for offshore wind has been extended to 2026, which I very much welcome as an important step towards attaching the next stage of the levy control framework to offshore wind. However, the Committee says that there are backward steps in other areas, and Members will not be surprised to hear what they are: the cancellation of the commercialised programme for carbon capture and storage; the reduction in funding for energy efficiency; and the cancellation of the zero-carbon homes standard.

The Committee on Climate Change also says that other priorities have not moved forward. There have been no further auctions for the cheapest low-carbon generation, no action plan for low-carbon heat or energy efficiency, and no vehicle efficiency standards beyond 2020. It also says that progress on improving the energy efficiency of buildings has stalled since 2012. Annual rates of cavity wall and loft insulation in 2013 to 2015 were down 60% and 90% respectively from annual rates between 2008 and 2012. I cite these points from the Committee given its status as an expert body.

The carbon budget and carbon programmes have substantial ramifications for endeavours, aspirations and targets way beyond the size of what appears to be the policy put in place at a particular moment. I have a lot of sympathy with the Minister in his task of putting the new low-carbon programme together over the next period. He inherits a number of issues that have percolated down to short-term policy decisions, which have substantial ramifications on climate change targets over the longer period. Like my right hon. Friend the Member for Doncaster North, I would like to big up the Minister’s new post. It is a good idea to have a Minister for climate change who is completely onside as far as climate change is concerned. Not only is he onside, but he has a long record of being onside. His commitment to this cause is absolutely unquestionable.

Edward Miliband: We have finished him off now.

Dr Whitehead: Indeed, yes. That is now two stabs to the heart of the Minister’s career.

In his responsibilities and those of his Secretary of State, the Minister has a problem arising from the flurry of policies over the past year on the long-term considerations relating to climate change effects. If his new Department lets those policy changes lie, or runs further with them, the problem will be exacerbated, and his problem of writing a low carbon programme will be magnified.

The new Department benefits from particularly good appointments in the form of Ministers who completely understand and are at ease with the question of what we need to do, where we need to do it, how we need to do it and what the effects will be. We need to identify where those effects may continue to be felt outside the new Department. We can point the finger at what happened with some of those changes under the previous Department of Energy and Climate Change, and we can point the finger in the direction of the Treasury. During the latter stages of the previous Government and in the first period of the present Government, we had the Treasury’s energy and climate change policy and the Department’s energy and climate change policy, and the two rarely coincided. Let us guess who came out on top in terms of policy direction.

My first plea, coupled with kindly advice to the Minister, is to get on top of the Treasury straight away. If Treasury domination of energy and climate change policy is allowed to continue, regardless of the long-term climate consequences, the writing of a new carbon policy will end in tears. To illustrate that, we can look at the previous carbon plan, which came out in December 2011. That plan not only contained some bright ideas, but set out where we were, where we wanted to be in 2050 and how the transition would be undertaken in each of a series of sectors, and that was analysed thoroughly for those sectors.

In the context of the 40% emissions cut that we are now looking at in the European INDCs, the assumptions underlying a low carbon plan are important. How effectively do they cover where we are now, where we are going to be in 2050, how we make that transition and how that transition works in 2030, which is the period that we are now considering? The carbon plan 2011 is clear about carbon saving, the green deal and ECO. It envisages that all practical cavity walls and lofts will be insulated by 2020 and up to 1.5 million solid walls will be insulated. We know that that has gone. There is no longer even a remote chance of such an achievement, particularly with respect to solid walls and probably also with respect to other forms of insulation, because the green deal has gone and ECO has morphed into a pretty restricted version of the original ECO. Yet, the Committee on Climate Change, in its preamble to the fourth carbon budget, suggested, as an assumption in that carbon budget, that by the early 2020s over 2 million treatments of solid-wall properties would have to be undertaken as a central contribution to carbon reduction. So that has gone.

The 2011 programme says carbon capture and storage will “make a significant contribution by 2030”.

In the scenarios modelled, it is estimated that CCS will contribute as much as 10 GW. Well, that has gone. The Treasury managed to bundle CCS into a cupboard very neatly just a little while ago. Personally, I thought that was one of the biggest enviro-crimes committed by the
Treasury, in terms of its policies of cutting off the fundamental route to decarbonisation of remaining baseload power over the period and apparently not worrying about the consequences.

The 2011 carbon plan says:

“From 2030 onwards, a major role for gas as a baseload source of electricity is only realistic with large numbers of gas CCS plants.”

We have committed ourselves to close down coal by 2025, although we have yet to see the coveutitation on that, but that is to be undertaken, it is stated in the relevant consultation, only if the progress on building new gas plants is sufficient to allow that to happen—that is, the commitment is to phase out coal, but to replace it with a new dash for gas. Yet, the carbon plan and, indeed, the Committee on Climate Change indicate very clearly that gas itself can be maintained as a baseload only if it has a substantial amount of CCS attached to it. We are apparently going ahead with the dash for gas over the next period without any thought that in the reasonable future CCS may come in as far as gas itself is concerned. That has a substantial impact on our ability to meet the fourth and fifth carbon budgets over the next period.

The low carbon plan says:

“Looking to the future, between 21% and 45% of heat supply to our buildings will need to be low carbon by 2030”,

but the then Secretary of State warned last year that we are failing badly on our 2020 heat targets and there is no chance at present of getting to our 2030 target, so that contribution has also gone.

Finally, let me just pick out some of a larger number changes from the 2011 report. The report said

“all new homes from 2016”

will “be zero carbon”, which would make a considerable contribution to the fourth and fifth carbon budgets. Well, of course, those homes will not be zero carbon, because the zero-carbon homes plan has also been pulled.

Barry Gardiner: My hon. Friend always speaks with such authority on these matters. In relation to CCS, is he as concerned as I am that the cross-Yorkshire and Humber pipeline has just had its planning deadline extended by the Secretary of State? It looks as if, yet again, these projects are being put into cold storage.

Dr Whitehead: There is perhaps an irony in the words “put into storage”, because the whole purpose of the exercise in the first place is storage. However, my hon. Friend is absolutely right that the whole question of what will happen with not only CCS pilot projects but the infrastructure and the prospects for CCS as a whole appears to have been put into the long grass, and that is a profound problem as far as our future climate change commitments are concerned.

It is going to be hard to write a convincing new low carbon programme in the light of just some of these things unless the Department gets to work very rapidly and unpicks the damage to the long-term low carbon prospects that have been underlined by the savage changes of the past year. I know that the new Minister is committed personally to making sure that the consequences are right, so that is perhaps an early task on his desk. Let us turn this round so that we can put into the low carbon programme positive consequences for the future rather than the negative consequences that there are at the moment.

These two issues go very closely together. We have to get on, very soon, with doing our bit on ratification. I am encouraged to hear from the Minister that if the documentation is not imminent, perhaps it is pretty imminent.

Mr Hurd indicated assent.

Dr Whitehead: The Minister is sort of nodding his head, so that is good. At the earliest opportunity, we need to have a good look at the new low carbon programme to see whether what we are committing ourselves to do can really be carried out, and, if it cannot, what we must do next to make sure that we can meet those commitments. That is part and parcel of the documentation, and the sooner it can come forward, the better. I hope that by putting the two issues together, we can get a real grip on what we have committed ourselves to and how well we can do it for the future.

4.51 pm

Seema Kennedy (South Ribble) (Con): I shall keep my remarks brief because other right hon. and hon. Members have spoken very eloquently, with great expertise, and at length.

My constituents are only too aware of the effects of climate change. South Ribble lies on the plain where the River Ribble—the historic boundary between north and south—meets the Irish sea. Last Christmas, in the village of Croston—which you, Mr Deputy Speaker, used to represent so well—many of my constituents’ homes and businesses were flooded. This brings home the absolutely paramount challenge to our generation of how we deal with climate change. As a country, we need to tackle climate change while growing our economy and providing for energy security. My hon. Friend the Member for Wells (James Heappey), who is no longer in his place, described this as a trilemma. It is a great challenge to us, but it is one that I believe my hon. Friend on the Front Bench, and the whole UK Government, are meeting.

Let us look at the progress that has been made. The Climate Change Act 2008, which was steered through by the right hon. Member for Doncaster North (Edward Miliband), who is also no longer in his place, and received great cross-party support in this House, obliges the UK to achieve an 80% reduction in carbon emissions by 2050. Since 2010, when the coalition came to power, investment in renewables has increased by 42%, and support for renewable energy will increase to £10 billion during this Parliament. Emissions have already been cut by over 30% since 1990. This is to be applauded; it is great progress. Offshore wind generation is up by two thirds, and the UK has enough solar power to power almost 2 million homes. Nuclear power, which supports so many jobs in Lancashire, is also benefiting from Government support. All this has happened while the economy is growing. In 2014, there was a 2.8% growth in the economy and yet an 8.4% reduction in emissions. This is absolutely crucial, because it is particularly important to our energy-intensive industries that they have energy they can pay for. We do not want to see these jobs go to other countries.
[Seema Kennedy]

I do not think there can be any doubt of this Government’s commitment to reducing carbon emissions, as was set out greatly as a priority. The Paris climate change conference was a pivotal moment in binding the world’s superpowers to a path towards decarbonisation. The UK pushed to ensure the excellent outcomes that were achieved last year by my right hon. Friend the Member for Hastings and Rye (Amber Rudd). Rather than decrying the fact that the UK has not ratified the Paris agreement in haste but is taking a careful approach to ratification, the Opposition should be applauding the cross-party progress that has been made.

I am still quite a newcomer to this place, so I learn a lot from you, Mr Deputy Speaker. In my 16 months here, I have spoken in several Opposition debates that have been marked by the paucity of argument from Opposition Members, but this one really wins the prize for being an utterly confected motion, and it goes to the heart of the Opposition’s disarray. I conclude by echoing the remarks of the Minister in asking the shadow Secretary of State for Energy and Climate Change. The CCS report is a cross-party, pragmatic solution that includes industry, academia and parliamentarian input from both Houses, and I urge the Government to implement its good-value recommendations, which are fully supported by the Conservative hon. Member for Waveney (Peter Aldous).

The recent Brexit vote should not become a flippant reference. This is the UK leaving the European Union—the biggest single market in the world. It is a frightening prospect, hence why many Brexiteers have simply run away. They are like the proverbial dog that has finally caught the bus that it was chasing and now has no idea what to do with it; in fact, they cannot even define Brexit. This grave uncertainty has plunged the UK’s energy sector into yet further uncertainty. As such, the SNP calls on the UK Government to halt their damaging programme of austerity and inject the economy with the investment necessary to stimulate growth and create a healthy environment for investors and consumers alike.

Patrick Grady (Glasgow North) (SNP): We in the SNP find ourselves in full agreement with the points that my hon. Friend the Member for Aberdeen South (Callum McCaig), who is no longer in his place, are quite right to be so, given the critical nature of this issue.

Confidence in the UK Government’s commitment to tackling climate change is on the wane. They have rolled back almost every green policy, and in the previous Prime Minister’s strong language on the subject lies the truth of it. The rolling back of policies that supported energy investment and domestic energy efficiency is more than disappointing; it is irresponsible.

The Minister spoke of how business was very much behind him. I can forgive him for that misapprehension, because he is new to the job—I sincerely wish him all the very best in his new role—but for quite some time, investment in the UK, particularly in energy, has been undermined by the almost continuous moving of the legislative goalposts by the Government. Backtracking on issues such as privatisation of the Green Investment Bank, the withdrawal of the renewables obligation element for onshore wind and the cut to solar subsidies has been well covered in the House, particularly by the hon. Member for Southampton, Test (Dr Whitehead), who provided us with a comprehensive list; it does, indeed, go on.

The aforementioned reversals and the withdrawal by the UK Government of the £1 billion carbon capture and storage competition with no prior warning has left a hugely damaging legacy for investment incentive and consumer confidence in the UK. On the plus side, I am delighted to say that the carbon capture and storage advisory group will report its findings this coming Monday 12 September, as requested by the former Secretary of State for Energy and Climate Change. The CCS report is a cross-party, pragmatic solution that includes industry, academia and parliamentarian input from both Houses, and I urge the Government to implement its good-value recommendations, which are fully supported by the Conservative hon. Member for Waveney (Peter Aldous).

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Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): We in the SNP find ourselves in full agreement with the hon. Member for Brent North (Barry Gardiner), who was both comprehensive and passionate; he and my hon. Friend the Member for Aberdeen South (Callum McCaig), who is no longer in his place, are quite right to be so, given the critical nature of this issue.

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Philip Boswell: I will come on later to some of the points that my hon. Friend has raised, but he has encapsulated them perfectly.

I ask the Minister: will his Government reverse austerity and make the necessary investment? As my hon. Friend the Member for Aberdeen South and, more recently, my hon. Friend the Member for Glasgow North (Patrick Grady), have illustrated perfectly, Scotland is a world leader in tackling climate change, with ambitious statutory targets and strong progress to date. We must work together to tackle the issue, and it is most encouraging that all contributors to this debate agree on that. We will support the Minister in any way we can to find a collegiate solution to our requirements in this country.

Scotland has made a leading contribution to the EU-wide effort to reduce greenhouse gas emissions. Considering that Scotland is the biggest EU oil producer, the second biggest EU gas producer and has about 25% of the EU’s renewables potential, we would of course be extremely well placed to do so were the decision only ours to make.

I agree with the hon. Member for Brent North in criticising this Government’s approach to energy in the UK—their almost complete reliance on the rash dash for gas, fracking and nuclear. While I must applaud the current Prime Minister for pausing to reconsider Hinkley Point C, I condemn her party for the poor decision in the first place.

The Minister touched on the domestic and European processes for ratification, but how difficult is the process? The hon. Member for Southampton, Test, also touched on the process, but what is it? To put it simply, there are two separate processes for the ratification of the agreement:
of these people, and about the threats to diversity in their work within the GLOBE organisation.

Patrick Grady: I wholeheartedly agree with the points the hon. Lady is making. I have experience of living in Malawi, where people are also being affected first and hardest by climate change, having done the very least in terms of emissions to cause climate change. Does she agree that the concept of climate justice, which has been articulated by Pope Francis and others, is very important to this debate? The Scottish Government have a very innovative climate justice fund, and I would be interested to see the new Department working closely with DFID to try to imitate it.

Margaret Greenwood: Absolutely. Climate justice is very important to this debate.

Last year, I attended the COP21 legislators summit in Paris, which was organised by GLOBE and the French National Assembly. I attended it alongside colleagues from across the House who are also on the Environmental Audit Committee. I particularly thank the hon. Member for Beverley and Holderness (Graham Stuart) for his work within the GLOBE organisation.

The summit was attended by over 200 parliamentarians from around the world, from whom we heard, at first hand, accounts of climate change. We heard about how more frequent weather events are threatening the lives of these people, and about the threats to diversity in places such as South Africa and Brazil. We heard from people in India about the impact of the retreat of the Himalayan glaciers on water supplies, and about the threat of increasing sea level. We also heard from politicians from Nigeria, who described how in the north of that country the desert is moving in and about how Lake Chad, which once seemed to be like an ocean, now appears as a puddle. That has been accompanied by internal migration, delivering an awful lot of upheaval for those people.

We know that climate change is the biggest global challenge that we face. Its impact is clear around the world in increased storms, flooding, droughts and movement of peoples because of lack of resources. We also know that the poorest people on the planet are the most badly affected; as one of the richest nations on earth, we have a real duty to do something about that. The message at the summit could not have been clearer. We must reach our targets on emissions to reduce climate change and must protect fragile ecosystems. Action is needed at local, national and international level.

I was proud to hear British politicians being praised for the lead that our country has taken in tackling climate change. In particular, respect was shown for my right hon. Friend the Member for Doncaster North (Edward Miliband) and for Lord Prescott, who was hailed in Paris as the “father of the two degrees” for the part he played in focusing the world’s attention on the significance of the 2°C target. Back in the UK, the Home Secretary is to be congratulated on the contribution she made in Paris last year to help bring about the final agreement. It is clear that Britain has the expertise to play an important role in tackling the greatest global challenge the world faces. It is therefore important that we continue to show leadership.

I welcome the Government’s commitment to ending the unabated use of coal in energy generation altogether by 2025 and to restrict its use from 2023. I urge them also to commit to banning the burning of coal underground, an issue I have raised on a number of occasions. I ask them to look very closely at that; it would be particularly welcome in my constituency of Wirral West. I am pleased that the Minister is committed to the ratification of the Paris agreement on climate change. But we must be clear that this Government’s record on taking action to cut carbon emissions in the UK is poor, and the policy direction of the past year is particularly worrying.

Last year, the Government cut feed-in tariffs for solar by 65%. Further attacks on that important industry are imminent through a proposed rise in business rates for businesses and other organisations, including state schools, that have installed solar panels on their roofs. The Government announced plans to privatise the Green Investment Bank, despite its real success in investing in more risky renewable projects. They also ended support for new onshore wind through the renewables obligation a year earlier than expected. In the face of huge public opposition to fracking, they are pressing ahead with encouraging that carbon-hungry technology. All those measures are undermining my confidence that the Government are serious about tackling climate change; I am sure they are undermining the confidence of a lot of other people.

We face the greatest challenge to the future of the planet. The agreement reached in Paris last year was greeted with celebrations right around the world, and
[Margaret Greenwood]

rightly so. The Paris climate deal offers the very best chance for ourselves, our children and our future children for a more secure future. Hillary Clinton has said that if she is elected US President in November her Administration will mobilise a global effort, on a scale not seen since the second world war, to tackle climate change. China and the United States have already ratified the treaty. France has completed the domestic legislative process.

Britain must step up to the plate and lay an Order in Council so that Parliament can approve the treaty and send a clear signal to other European states that we still intend to provide a strong international lead on tackling climate change. In addition, the Government must revisit their damaging policies, so we can foster vital green industries, provide confidence to investors and be at the forefront of the green energy revolution that must surely come. There should be absolutely no delay. I urge the Government to take action.

5.8 pm

Nia Griffith (Llanelli) (Lab): Under the last Labour Government, we in the UK took the initiative and developed the Climate Change Act 2008, a world first. We really should continue to take the lead on the world stage. I was therefore disappointed to hear the Minister say today that he cannot give us a timetable for ratifying the Paris agreement on climate change. I urge his Department to bring one forward as soon as possible.

People often wonder what the point is of us in the UK doing anything if the big players do not. But now China and the US are taking the initiative, which is particularly welcome because of the size of their economies and populations. I really would like to see the UK up there among the world leaders on climate change, keeping our position of influence on this extremely important issue.

Tackling climate change is an immensely important task, but one that it is very easy to put off, or accord only a low priority to, particularly when voters have more pressing concerns in their everyday lives. We ignore climate change at our peril, as we have seen from the numerous flooding incidents in our country in the past few years. As other hon. Members have mentioned, the problems are very much worse in some of the poorest parts of the world. Temperature increases and periods of drought are driving people from their homes and becoming a major cause of migration. At the other end of the scale, we have the problem of flooding, as was well explained by my hon. Friend the Member for Wirral West (Margaret Greenwood).

It is not for me to tell the Prime Minister how to organise her Departments, and there is certainly a logic to including energy with industrial strategy, but I am concerned that the abolition of DECC will make the issue of climate change less visible. It is extremely important that proper resourcing and importance should be dedicated to tackling climate change. More than that, tackling climate change should be a part of thinking and policy development in all Departments. As my hon. Friend the Member for Southampton, Test (Dr Whitehead) pointed out, the Treasury is a key Department to get onside. I would have preferred to have a dedicated Energy Minister in the Commons rather than in the Lords because other Ministers will stand in for her at questions and debates in the Commons, which is not satisfactory.

The Government’s record to date on green issues, and on the incentivising behaviour that will help to reduce our emissions, has been inconsistent and disappointing. First, back in 2011, the accelerated reduction in feed-in tariffs for solar energy was announced before the industry had been properly consulted. We had a repeat earlier this year with the changes in valuation office assessments, which will make it less viable for businesses, including schools, as an hon. Friend pointed out, to benefit from having solar panels on their roofs and to contribute to a reduction in emissions. We also had the abolition of the Green Investment Bank, which had provided valuable finance to incipient industries that cannot always get funding from elsewhere, and the abandoning of plans for the carbon-capture demonstration plants, despite their being a manifesto commitment.

On wind power, energy companies have effectively withdrawn from new projects in England because of the hostile environment the Government have created. We at least have a more positive attitude to wind power in Wales, but subsidies are a UK Government matter. Eventually, wind projects in Wales will be affected by those reductions.

The Swansea tidal lagoon is continuously postponed and kicked into the long grass—back in February, a review into tidal lagoons was announced. I urge the Government to look carefully at the tremendous potential that the project offers. Rather than looking at the cost of the Swansea tidal lagoon, they should look at the potential of lagoons elsewhere and the export potential. The Swansea proposals require no money up front from the Government—the taxpayer pays only when the electricity is delivered. The bosses of the project are very committed to sourcing as many of the components as possible locally in the UK. If we could be a world first and lead the way, it would open up opportunities to our manufacturing industry, not only in providing the Swansea lagoon, but in providing other lagoons here and abroad.

Bob Stewart (Beckenham) (Con): How many homes might the Swansea barrage light or heat, because it is a great idea?

Nia Griffith: The figure that has been given is 800,000 homes—that is just one project and it could be repeated elsewhere. That number of homes heated is the size of a substantial town, so it is very worth while.

Bob Stewart: When you used the word “export”, did you mean exporting electricity or exporting the idea and the technology?

Madam Deputy Speaker (Natascha Engel): Order. I remind the hon. Gentleman that he is speaking through the Chair—when he says “you”, he is addressing the Chair.

Bob Stewart: Forgive me, Madam Deputy Speaker.

Nia Griffith: I was referring to exporting the idea. In the past—with wind turbines, for example—we have lost the initiative in manufacturing and find ourselves
importing. We do not want to do that. We want to be world leaders—we want to make the components, export them and build potential markets for our industries for the future.

**Mr Jamie Reed** (Copeland) (Lab): Is my hon. Friend aware that the success of the Swansea project by the same developer would unlock the world’s largest tidal project in Workington in west Cumbria?

**Nia Griffith:** That sounds like a very exciting project indeed. The whole point is not to think about the cost of an initial project, but the huge impact of rolling it out: reducing emissions, finding good markets for our components industries and ensuring we are up there as a world-first. There would be huge kudos for the Government if they did that.

**Philip Boswell:** I had the good fortune to speak in the Swansea tidal lagoon debate. I am sure the hon. Lady agrees that the ultimate aim is for a chain of tidal lagoons that could power all of Wales and meet up to 8% of the UK’s energy needs. Does she agree that that would be an investment well worth making?

**Nia Griffith:** Absolutely—indeed it would.

Sadly, the Government’s record has not been very good to date. The green deal was a complete fiasco. It proved to be a very unattractive deal, as the figures show, with only 2.7% of those who had had the assessment done actually taking out the investment in energy-efficiency measures. Indeed, many of us have had constituents who have experienced real difficulties with the scheme. It is no wonder that the National Audit Office was scathing in its assessment, pointing out what poor value for money the scheme was. In spite of warnings from the Labour Benches about the scheme’s faults, the Government did not do anything to improve it.

The sudden ending of the scheme in itself produced problems. One constituent of mine, who was in receipt of pension credit, paid for an up-front survey. She then found she had difficulty getting a copy of that survey. After I chased it up, we got the copy but found that it was too late and the scheme was no longer up and running. She lost her money on that survey. That is an appalling situation in which to leave a pensioner in receipt of pension credit.

There is an awful lot more to do on very simple matters, such as recycling. We should be trying to ensure as many products as possible are either completely recyclable, such as steel, or biodegradable. For example, will the Government consider banning polystyrene takeaway trays, as some local authorities are already seeking to do, and asking catering businesses to use alternative, biodegradable ones?

I very much welcome the inclusion in the Department’s title the words “industrial strategy”. I very much hope the Government are really serious about developing consistent long-term policies for both manufacturing and energy. Business leaders are crying out for clarity and consistency. The Government are continually moving the goalposts, which completely reduces business confidence. We saw that in the massive job losses in the solar industry when the feed-in tariff regime was changed at short notice. To get businesses to invest in energy projects and measures to help us reduce our emissions and tackle climate change, we need long-term certainty from the Government.

As we no longer intend to remain in the EU, companies need to know exactly what the Government are going to offer them. Sadly, Ford in Bridgend has slashed its investment plans from £181 million down to £100 million, and instead of creating 700 jobs it will be creating only 500 jobs. That is really, really worrying. The Government urgently need to provide the certainty and reassurance that the UK will be a good place to invest in and that we have the right sort of policies that both favour industrial development and reduce emissions. We need to ensure we are seen as a place in which to invest. More than anything else, I urge the Government to get on with the carbon plan. It is very important that the carbon plan is a major part of their strategy, that the “industrial strategy” part of the title of the Department becomes a reality, and that we give the certainty that investors need for the future of our country.

5.19 pm

**Mr Jamie Reed** (Copeland) (Lab): When I was on my way to the Chamber, one of the Whips told me that the debate had been rather serene and soporific. I do not think that that is the case, and, having listened to the debate so far, I am excited by the prospect of a heated agreement among all parties.

I support the Labour motion, for a number of reasons. Climate change requires all political parties to take it seriously and, if possible, to agree, which would be in everybody’s best interests. We need to bind a commitment to mitigating climate change in the hearts and minds of the people our country, and we must do so in perpetuity if we are to succeed in that mission. We need to commit the country, businesses and others to the mission at hand; it is no good to commit only Parliament or this or the next Government if we want to succeed. Tackling climate change has to become part of our national mission, and it should also become a central part of our national identity.

But words are cheap. Acts of Parliament can be meaningless—God knows that we have seen enough of such Acts—and the same can be said of treaties, arrangements, commitments and manifesto promises. That is why I am both hugely optimistic and a little sceptical about the Paris agreement. On paper, the agreement is absolutely huge, but, obviously, climate change does not happen on paper, and it will not be beaten, resolved or mitigated on paper, either. I am delighted that the US and China have signed the deal, but we have been here before. I am genuinely pleased that the tradition of US Presidents committing in their final weeks in office to international efforts that might not overjoy the American electorate remains alive and well, but—I know this view may not be widely shared—let’s face it: we have been here before.

My right hon. Friend the Member for Doncaster North (Edward Miliband) mentioned Kyoto. If Kyoto had worked, we would not have needed the Paris convention, so it has always been the case throughout my life that the prose required for climate change progress does not always reflect the poetry of climate change politics.
I will be candid: when I saw Heads of State hugging each other in front of the cameras in Paris, like a scene from a NASA mission control room at the end of a space disaster movie, I was pretty contemptuous. I put that to the former Secretary of State for Energy and Climate Change, whose achievements and work I commend in the same way that Members on both sides of the House have done today. She was not very happy with my comments, but I stand by them, because the truth is that, so far, this is a diplomatic and political achievement, and nothing else. There is no doubt that that is important—the Minister was right to say in his response to the opening speech that China and the US signing this agreement is a game-changer—but let us acknowledge the physical realities.

Politicians alone cannot solve climate change. That is the task of scientists, engineers, inventors and investors. The role of politicians is to enable those people to do that by establishing market frameworks and by ensuring access to capital and stable, predictable policy frameworks. They also need a fair, improved and quicker planning process, which successive Governments have tried to achieve over at least a decade, and the centre of Government needs to develop a completely different relationship with local government and its local communities. Those are profoundly important issues, because without them investor confidence cannot be ensured and the progress that we all seek cannot be delivered.

The truth is that, despite some progress, this country is a long way from achieving that. Whitehall and Westminster do not work anywhere near well enough. That is not a partisan comment or a criticism of the current Government. Nobody could argue that, right now, our institutions are up to the task before them. I would go further and suggest that the machinery of government is actually stymying the efforts of those committed to combating climate change.

We will not achieve a low-carbon economy without industrial activism: an industrial strategy that, as many others have said, sees energy, economic and environmental policy as one and the same thing—a holy triumvirate, if you like—and I sincerely hope that the new Department of Business, Energy and Industrial Strategy will join me in highlighting the critical importance of Japanese investment in that regard, and the need to work on our crucial relationship with Japan.

Climate change wears no party colours. Although these are hollow words now, we really are “all in it together” and it is past time that we got into the business of implementing an industrial strategy with the climate change agenda at its heart. The lesson for all of us is that talk is cheap.

5.26 pm

Mary Creagh (Wakefield) (Lab): I apologise for not attending the first part of this debate. I was chairing the Environmental Audit Committee where we were hearing from Ministers from the Department for Environment, Food and Rural Affairs and the Minister from the Department for Exiting the EU.

I congratulate my hon. Friend the Member for Brent North (Barry Gardiner) on bringing this debate forward. It has been some time since we debated climate change. Like other speakers, I believe that this issue is one of the three great challenges of our age. The first is the challenge of the ageing society and how we can all live better now that we are living longer. How can society adapt to that new longevity? The second challenge stems from technology hollowing out traditional jobs and traditional workforces. How can the Government collect taxes on the new economy when the intellectual capital exists in places such as California, but the products are consumed in our own country? The final great challenge of our age is climate change.

There is the challenge of adaptation to protect our island from the different weather patterns we will see in the future. How can we mitigate the risks and play our part in the world in standing by our poorer neighbours? As previous speakers have said, they have done nothing to cause this catastrophe, but having risen out of poverty, they now risk seeing hundreds of millions of their own manufacturing and research and development sectors, including our universities. Crucially, such a policy could and should rebalance our economy, so I stand totally committed to assisting the Government in this regard, and I urge them to look no further than at the community that I represent. West Cumbria and my constituency of Copeland could and should be the engine-room of this national effort.

At Moorside, where three AP1000 Toshiba-Westinghouse reactors are shortly due to begin construction, my constituency will soon provide 7% of our electricity needs—clean, CO₂-free electricity generation, providing thousands of well-paid jobs. I am a long-standing advocate of a tidal lagoon project nearby in Workington, which could be the largest in the world, providing another 7% of our electricity needs, along with thousands of jobs and helping to regenerate an area of traditional market failure.

It is my hope that the Government will prioritise both the schemes I have mentioned as a matter of urgency. We do not need the Paris agreement to get on with these projects. I say to the Government, “Let my community help you; let us be the engine-room of this national effort and let us get on with it without any further delay.” We should do everything we can to ensure that these projects are developed as quickly as possible. In particular, I trust that the Secretary of State and his Ministers will join me in highlighting the critical importance of Japanese investment in that regard, and the need to work on our crucial relationship with Japan.
people being dragged back into it through climate change. It will either cut off their food supplies and their traditional ways of life or, in the worst-case scenarios, see island states disappear under water altogether.

In 2015, 190 countries adopted the new climate agreement in the first ever universal and legally binding global deal. We cannot overstate how much of an achievement that was and what a great part the UK Government played in achieving it. The Home Secretary, then Climate Change Secretary, really took the lead on that, and it is a great shame that the Government have now abolished the Department for Energy and Climate Change. The lessons from other countries show that when climate change is put into a pot alongside other industrial and energy policies, climate change is often the loser as economic interests take over. We do not value what we cannot see. This is one of the big “abstract thinking” problems of trying to deal with climate change. We are talking about worst-case scenarios in 20, 30 or 40 years’ time, but scientists would argue that we have just seen 1.1° above our pre-industrial revolution peak.

John McNally (Falkirk) (SNP): Does the hon. Lady agree that if the Government want an example of certainty of policy, which has been mentioned by previous speakers, they should look at the state of California, where what I think is a 20-year all-party agreement on renewable energy has led to investment by various companies? Does she agree that Westminster Governments have probably been practising long-termism and short-termism for far too long, and they cannot allow this to go on until 2020, 2030 or 2040, or for an indefinite period?

Mary Creagh: I strongly agree that what investors and businesses want is certainty. Members of the Conservative party may want to see outcomes, but one way of achieving those outcomes is to set a strict framework and then stick, within that framework, to the interim targets that we wish to meet. The hon. Gentleman has played an important part in the Environmental Audit Committee, sharing with us not only the Scottish experience, but his wider global experience.

As we know, 23 countries have now ratified the agreement, and over the past week the United States and China have come together. Given that they represent 40% of the world’s carbon emissions, this is a really significant moment. It seems to me that they are firing the starting gun for the next big industrial revolution. Britain led the way in the first industrial revolution, with the spinning jenny, electricity and other forms of energy, and the steam engine. The second industrial revolution, in the 1990s, introduced technological change which has revolutionised the way we think and do business. This will be the third great industrial revolution of our time. Whichever country first gets to market with individual transport solutions that are non-emitting—solar-powered cars and battery storage—will have a massive competitive advantage in the global race.

We have heard about the Climate Change Act 2008. That was Labour’s achievement, but it was a cross-party achievement in that only five Members voted against it. It committed the United Kingdom to reducing its emissions by 80% of the 1990s level by 2050. It has been copied, replicated and imitated across the world because it gives investors certainty, which is crucial, particularly at a time when, following the referendum result, there is a great deal of uncertainty in our economy. The Act sets out long-term goals, but it also gives Governments flexibility to decide how they want to meet those goals. Our Government also introduced feed-in tariffs and the renewables obligation, which brought about an energy revolution in this country. In 2005, none of our energy was being produced from renewable sources, whereas at certain points last year, 25% of our electricity was coming from such sources.

I want to say something about the work of the Environmental Audit Committee. I have here a copy of an excellent report that we published about 10 days ago, entitled “Sustainability in the Department for Transport”. It did not receive quite as much press coverage, or Daily Mail pick-up, as the microbeads report, which is a great shame. I am sure that no Member who is present, or anyone sitting in the Galleries, uses microbeads. I must say that we are all looking very polished and relaxed after our summer break.

What the Committee found was concerning. We found that the UK is failing to reduce its carbon emissions in the transport sector, that air quality targets that were supposed to be met in 2010 will not be met until 2020 at the earliest—and the only reason there is a plan for developing them is the United Kingdom’s membership of the European Union, and the threat of action against us by the European Commission and the European Court of Justice—and that although a year has passed since we discovered, on 18 September, that Volkswagen had fitted cheat devices to a range of cars, the Government have yet to decide what action, if any, to take against the company. As far as I am aware, not a single Volkswagen has been recalled in this country for any sort of fix or reft. That is completely unacceptable to Volkswagen customers who, for instance, may wish to change their cars and are unable to obtain a fair valuation.

Domestic transport is the single largest emitting sector of the economy, accounting for 22% of UK emissions. Those emissions need to fall by 31% over the next 10 years. We found that the UK is on course to miss that target by 50%. So demand for transport is growing and, despite marginal falls in average car and van CO₂ intensity, this is driving up emissions. Therefore, we are not going to be on the most cost-effective pathway to those 2030, 2040 and 2050 targets. That is deeply worrying, because if we are not on the most cost-effective pathway, it means we are idling along in the slow lane, hoping that something will turn up to suddenly help us meet those carbon budgets later on down the road, literally and figuratively.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Does the hon. Lady agree that the Scottish Government proposition to make sure that all towns, communities and cities are free of fossil fuel vehicles by 2050 is the right approach? Does she agree that the UK should be looking to follow the example of Norway and the Netherlands, which are looking at banning all new petrol and diesel vehicles by 2025?

Mary Creagh: What I would say about a 2050 target is that it is long enough away for none of us to be accountable for it, because most of us will be dead by then. [Interruption.] Well, some of us; I probably will
be—no, I will be enjoying a long and fruitful old age, as I intend to live until I am 100. I want to see interim targets, so if there is a 2050 target I would be interested to see what are the 2020, 2025 and 2030 targets, because faraway targets can always be our children’s problems.

The issue in the report about our transport sector is that we are not doing enough now, and I want to develop my theme because transport emissions increased in both 2014 and 2015. Some 94% of those transport emissions are from road transport, and we were concerned that less than 1% of new cars are electric. There is a good reason for that: they are very expensive—£30,000 or £32,000, perhaps. The Committee on Climate Change says that we need 9% of all new cars to be ultra-low emissions vehicles by 2020 if we are to meet those targets at the lowest cost to the public. We should match what the Committee was saying with the Department’s forecasts; the Department was saying, “Well, actually 3% to 7% of vehicles will be ultra-low emissions by 2020, but our average central point is 5%.” So the Department’s central forecast is 5%, but the Committee on Climate Change says it should be 9%.

That is worrying, because the next target—the 2030 target—is that 60% of all new vehicles should be low-emissions. If we are only at 5% by 2020, I cannot see a way of getting to 60% of low-emissions vehicles without some spectacular change in the way we buy cars in this country, and we did not hear any brilliant bright ideas from the Department for Transport. We heard of the money that was committed, but we did not hear a strategy for getting that mass take-up. That means we are playing catch-up and we are not going to follow the lowest cost route to decarbonise the economy.

Bob Stewart: I am no expert, but is there any way of measuring progress towards the targets for 2020, 2030 and so on, perhaps by year?

Mary Creagh: Yes; it is done in the single departmental plans and the annual reports, and the Committee on Climate Change looks at these targets every year and says whether we are going to meet our various carbon budgets. There is a range of reporting mechanisms, and I see it as the job of the Committee to point out where we think things are going wrong.

We could see a whole range of policies that would help drive low-emission vehicle uptake, and local authorities had a range of innovative ideas, particularly in the area of fleet procurement. The Government are probably the largest buyer of vehicles in the country, and if the NHS were to move to all electric vehicles, they would get them at much less than £30,000 per car. They could then guarantee buy-back and there would then be a second-hand market that gets people used to buying these vehicles. We could see workplaces investing in charging points—one market that gets people used to buying these vehicles. All those factors are vital.

James Heappey: The Energy and Climate Change Committee has similarly been looking at the uptake of electric vehicles. What assessment has the Environmental Audit Committee made of the preparedness of our energy system, particularly for clusters of electric vehicles? For example, are we going to be able to provide the level of charge required if, say, two dozen or more electric cars on the same road all need to be charged at the same time?

Mary Creagh: We did not look at all the life cycle issues, but I have a feeling that that might be coming out in the hon. Gentleman’s report. If so, that would be great—a good bit of boxing and coxing from both Committees. He makes a good point: we still have coal-fired power stations, and it would make no sense to have emitting power stations fuelling electric vehicles. We need to look at the whole life cycle of the power supply. There are big issues with battery storage and battery life, and it would be a great prize for our industry if we could find a way to capture renewable energy and store it when we have more than we need.

I have talked about air pollution and air quality zones, and the fact that the targets will not be met until 2020. The report contains a detailed analysis of that. The Volkswagen emissions scandal revealed that 1 million diesel cars in the UK contained cheat device software, and we found a worrying inertia among Ministers when it came to deciding whether to take legal action or any other action. We want Ministers to ask the Vehicle Certification Agency to carry out tests to find out whether those Volkswagen group cars in the UK would have failed emissions tests without those cheat devices. It is important for people to know that. We would also encourage the Serious Fraud Office and the Competition and Markets Authority to make their decisions about whether to take legal action against Volkswagen. In the United States, Volkswagen owners have already started to receive compensation; some have received as much as $10,000.

The Committee has also produced a report recently on the Government’s approach to flooding. Flooding is the greatest risk that climate change places on our country, and the risk is threefold. There is a risk from surface water following heavy rainfall, whether in summer or winter. The July 2007 flooding, which flooded more than 1,000 homes in Wakefield, was the largest civil emergency that this country had seen since world war two. There is a risk from river flooding, which is what we saw in the Christmas and Boxing day floods in York and all across the country, including Scotland and Wales.
There is also a risk from a tidal surge from the North sea. We were in a position, I think in 2014, in which a combination of high winter tides and heavy rainfall resulted in red flood warnings and evacuations from Newcastle all the way down to Margate. The entire east coast of England was at risk from a tidal surge.

The ways of mitigating these risks are complex. We need to get in place the civil resilience systems so that we are able to respond when floods occur. So far, we have been fortunate that most of them have happened at different times, but if we were to experience all those different kinds of flood problems at the same time, there could be issues relating to our ability to respond adequately.

Barry Gardiner: My hon. Friend is making such an important point about flooding. Does she recall that had the high tide and the surges been realigned by one hour, more than 10,000 homes in the Humber area would have been underwater?

Mary Creagh: It was an anxious time. I remember following events on the Met Office website and thinking, “This is not looking good. I would not want to be the Minister in charge.” We cannot keep relying on luck. We must be fully prepared. I am disappointed that the Government’s flood review and the analysis of the resilience of national infrastructure to deal with flooding emergencies has been postponed. We understand that it was a Cabinet Office responsibility, and I have written to the DEFRA Secretary and the Minister for the Cabinet Office to find out where that responsibility now lives because there has been some confusion.

During the recent flooding, we found that if the transport network goes down because a bridge has been taken out or a road has been flooded, the police, the fire service and ambulances are unable to respond. People are unable to make phone calls because digital infrastructure or phone lines go down, and power supplies can also go down. People end up literally and metaphorically in the dark about the flood situation sometimes only 10 miles up the road. We heard that from the people of the Calder valley who came to Leeds to talk to the hon. Member for Falkirk (John Mc Nally), who is not in his place, and me, and we had an interesting conversation.

Turning to the Environmental Audit Committee’s work on looking at the Treasury, all such decisions are ultimately signed off or not by the Treasury. The National Audit Office told the Committee that there is a growing gap between our stated ambitions on climate change and the policies and spending that the Government are bringing forward to get us there. According to the Government’s own calculations, we are on track to miss our fourth carbon budget between 2023 and 2027 by 10%, yet we saw no action in the previous spending review to take us nearer to closing that gap.

In fact, the spending review contained a number of negative decisions that impacted on our ability to tackle climate change. The last-minute cancellation of support for carbon capture and storage, for which industry had been preparing for seven years, has delayed the roll out of this crucial technology for a decade or more, meaning that the eventual bill for cutting our carbon emissions could be up to £30 billion more. Other last-minute changes, including ending all funding for the green deal, cancelling the zero band of vehicle excise duty on low-emission cars, abolishing the zero carbon standard for new homes, cutting the funding available for greener heating systems available under the renewable heat incentive, and closing the renewables obligation to onshore wind a year earlier than previously promised, have all damaged business and investor confidence.

We need to start valuing our natural capital, such as our bogs, peatlands and rivers—our wild and special places. There is twice as much carbon in our bogs than in the UK’s atmosphere. If we practice farming techniques that drain that land, degrading peat soil and releasing that carbon, we are contributing to the problem, not taking away from it. We need to consider the role of soils—that was another excellent report by the Committee that did not get much Daily Mail attention—and what peatland and bog restoration can do for capturing carbon. That work is vital and contributes to the richness of our ecosystems and wildlife. We will continue to scrutinise the Treasury’s record and work with the National Audit Office and evaluate every future autumn statement for its environmental impact.

In conclusion, the US and China have worked together to ratify the agreement. They are getting a head start in the next great innovation race: the decarbonisation of advanced economies. We are fortunate that we have the Climate Change Act 2008 and the framework that forms the basis for this new industrial revolution in sustainable technology. I hope that all Members will continue to work together and do diligent work in our Select Committees and interest groups to ensure that the Government ratify and honour the spirt of the Paris agreement.

5.49 pm

Patrick Grady (Glasgow North) (SNP): I am particularly grateful to have caught your eye, Madam Deputy Speaker, having missed the start of the debate. I apologise to the Front-Bench speakers for that, but I was detained in the Procedure Committee, where we were taking evidence on the effectiveness or otherwise of our EVEL—English votes for English laws—procedures. I look forward to that issue returning to the Floor of the House in due course.

I was particularly inspired to try to catch your eye, Madam Deputy Speaker, by the comments of the hon. Member for Wirral West (Margaret Greenwood) about the impact of climate change on people in developing countries. As she said, and as I said in my intervention on her, the poorest and most vulnerable people around the whole world, who are often those whose historical carbon emissions have done the least to cause climate change, are feeling the impact of climate change first and hardest. That is why, in this debate and in the negotiations that took place in Paris, the concept of climate justice is so important. As I said in my intervention, the Scottish Government have really embraced that concept, as can be seen in a range of policy interventions. The former First Minister, my right hon. Friend the Member for Gordon (Alex Salmond), spoke about this concept at the central party school of the Communist party of China in Beijing, no less, which shows the Scottish Government’s ambition in this area.

Along with this Parliament, the Scottish Government have set some of the most ambitious carbon reduction targets anywhere in the world. Earlier this year, we were able to announce that the commitment to reduce carbon
emissions by 42% on 1990 levels by 2020 had already been met this year. Of course, 42 is the answer to the ultimate question of life, the universe and everything, according to “The Hitchhiker’s Guide to the Galaxy”, but I am sure that it was just a coincidence that that was the target.

The other innovative approach the Scottish Government have taken is through their climate justice fund. I have had the privilege of seeing that in action at first hand in Malawi, a country with which I have become very familiar over the years. I have seen the impact of climate change in that country, as rain patterns change significantly from what people were used to. Periods of drought are followed by periods of intense rain, which makes the cultivation of crops incredibly difficult. Of course, most people in that part of the world rely on their crops as they are subsistence farmers. The changing weather patterns that result from climate change are having a huge impact on the day-to-day lives of the population of that country and the wider region. The region is, of course, facing a drought at the moment.

The climate justice fund has been able to help people to adapt to the impacts of climate change, often by using innovative methods that are energy-efficient and environmentally-friendly in their own right. For example, I visited a community in Dedza where people were able to irrigate their crops thanks to a reservoir built at the top of a hill. Without the need for any kind of electricity or pumping—just through the force of gravity—that irrigation allows people to grow crops and cultivate their food, whereas previously that would not have been possible because of drought or the erratic rain patterns. Likewise, in Chikwawa, in the south of the country, a solar pump is harnessing the extreme power of the sun that is felt in that area and turning that into green energy which, again, has allowed crops to be irrigated and food to be grown.

Drew Hendry: My hon. Friend mentioned innovation, particularly in a country such as Malawi. Does he agree that there is an opportunity for hydrogen technology and storage to be deployed to meet some of these ambitious targets? Many of us here hope to be around in 2050 and the Scottish Government have targets for emissions up to then. We have not heard a lot about hydrogen today, but it could also be used in vehicles, as we are doing in Aberdeen, where hydrogen buses and council vehicles are running now.

Patrick Grady: I wholeheartedly agree with my hon. Friend. That is an example of the kind of innovation we see in small countries such as Malawi. Does he agree that there is an opportunity for hydrogen technology and storage to be deployed to meet some of these ambitious targets? Many of us here hope to be around in 2050 and the Scottish Government have targets for emissions up to then. We have not heard a lot about hydrogen today, but it could also be used in vehicles, as we are doing in Aberdeen, where hydrogen buses and council vehicles are running now.

Philip Boswell: Prime Minister Modi of India has said that his country, which has only recently been industrialised, should not be presented with a full share of the bill for carbon emissions. He said that that would be like being presented with a full bill for a meal having had only a dessert. Does my hon. Friend agree that justice should take that into consideration?

Patrick Grady: Yes, absolutely. We must take responsibility for our history. We live in such an industrialised country because of the extent of industrialisation that took place. Buildings in this very part of the world—even the building in which we are standing—had to be cleaned of the soot that had been generated, and those carbon emissions are having an impact today through the climate change that we are experiencing, so we absolutely have a responsibility to lead on these issues. Even in our own country, it is the people who can least afford it who are being hit the hardest. Pensioners living in fuel poverty during colder winters are finding their incomes squeezed as they try to heat their homes. Indeed, people who cannot afford air conditioning in the excessive heat of the summer, as we have seen in France, are feeling the impact. This concept works both at home and overseas. We have heard about all kinds of interventions. In my home town of Glasgow, we are introducing food waste recycling, with all of us having grey bins. It will be interesting to see how the uptake of that scheme goes; I encourage everyone to make the best of it.

The hon. Member for Wakefield (Mary Creagh) was absolutely right to say that this is one of the greatest challenges of our time. That is why there is not just a political, economic and social impetus behind tackling climate change, but a moral impetus, which is why the Government have a moral responsibility to show leadership on this issue and to ratify the Paris agreement as soon as they possibly can. This is much like the position on the Istanbul convention, which my hon. Friend the Member for Banff and Buchan (Dr Whiteford) is having to address by bringing forward a private Member’s Bill because the Government are dragging their heels so much. Again, this is another example of the Government ceding the moral high ground in global political leadership to other countries, which is quite disappointing.

I said to the Prime Minister earlier that we should mark the 50th anniversary of “Star Trek”. The fourth movie in the series has the crew going back in time to save the whales as a bit of metaphoric backlash for the damage that our generation is causing to the planet. It is fair to say that, if we want to live long and to prosper, we really must tackle climate change.
5.58 pm

Bill Esterson (Sefton Central) (Lab): I did not realise that I was at a “Star Trek” convention, but we learn something new every day in this place.

This has been an incredibly important debate. There have been a number of excellent speeches from all parts of the House by Members who really know this subject inside out and upside down. The debate was opened with a formidable tutorial by my hon. Friend the Member for Brent North (Barry Gardiner), who mentioned the Government’s woeful record.

Drew Hendry: On the subject of the Government’s woeful record, does the hon. Gentleman agree that a missed opportunity was not supporting the alternative air fuel scheme, proposed by British Airways, which would have transformed 575,000 tonnes of London’s waste into fuel and allowed BA to operate its flights twice over for a year from London City airport? Does he agree that that was a missed opportunity by the UK Government and that they should revisit it?

Bill Esterson: I am grateful to the hon. Gentleman for his exceedingly early intervention in my speech. Of course, there are many examples of the kind that he gives.

We heard from my right hon. Friend the Member for Doncaster North (Edward Miliband) about the worrying loss of UK influence on tackling climate change, like so much else that results from the Brexit vote. He also mentioned his grave concerns about the damage being done to the international community’s ability to tackle climate change, given our leading role up till now and the likely dramatic reduction in our influence outside the European Union.

We heard contributions from my hon. Friend the Member for Southampton, Test (Dr Whitehead), who reinforced the importance of the UK’s role and the implications of Brexit. He questioned whether Government policy meant that we were on track to meet our obligations. That theme was picked up by other hon. Members later in the debate, including my hon. Friend the Member for Wakefield (Mary Creagh). We heard from my hon. Friends the Members for Wirral West (Margaret Greenwood), for Copeland (Mr Reed) and for Llanelli (Nia Griffith), among other contributions.

Earlier, the Minister spoke about what he called the Government’s fantastic record, but he rather ignored the fact that investor confidence has plummeted, subsidies have been cut and jobs, not least in the solar industry, have been lost. He blamed the European Union for our not having ratified the Paris agreement, while acknowledging that other European countries had done so. The Government and the Department for Business, Innovation and Skills have been happy enough recently to act against the rest of the EU. The UK recently blocked action by the rest of the EU to protect our steel industry. The Government are happy enough to take unilateral action when it suits them, but we had enough false claims about the EU during the referendum campaign, thank you.

James Heappey: It is my understanding that no EU member country can fully ratify the treaty until all have done so and the EU ratifies it as well, so some European countries may have taken the early legislative steps to put themselves on the way to that, but I do not believe that any of them will have ratified it yet.

Bill Esterson: Last time I checked, France was still a full member of the EU, with no intention of leaving.

We had the announcement last night, and we have heard the loose interpretation of legal obligations today in the Chamber when it comes to the preparation and delivery of the fourth and fifth carbon plans. That announcement, the approach and what we heard today confirmed the need for today’s debate, and it is why we are right to press the motion.

It is astonishing how quickly the Government have trashed our hard-won reputation for leading the world in responding to the challenges of climate change. Our role as key EU negotiators at Kyoto, our world-leading Climate Change Act 2008 and our progressive reputation at the Paris climate conference all risk being left in tatters if we are seen to be dragged to the table at the last minute as a result of being outside the EU. Whereas China, the US and France, among many others, have all ratified the Paris agreement, despite what the Prime Minister said earlier today, we are being left lagging behind.

At least the Government have moved on from the position under the previous Business Secretary, who refused to let the words “industrial strategy” pass his lips. The new Business Secretary will have to develop a strategy. That is especially true in respect of green energy. The argument for energy, particularly green energy, to be at the heart of our industrial strategy was well made by my hon. Friend the Member for Copeland, and the Minister made similar remarks in his speech.

Last year, we were going to lead the way in Paris with a £1 billion carbon capture and storage competition. The United Nations framework convention on climate change identified CCS as one of the interventions that could help countries worldwide meet emissions reduction targets, yet just a week before the Paris climate conference the Government scrapped their plan, despite the international praise it had received. After the Paris agreement had been signed, the Government abolished DECC, precisely when the Department’s expertise would most sorely be needed. They cut subsidies for green household energy initiatives by 65%, and then they increased subsidies for fossil fuel production at the same time as cutting investment in green technologies. While the cost of green energy has been falling, the Government have instead focused on fracking.

There are signs, with the arrangements for devolution, that we are starting to see the sort of long-term, ambitious vision at a local level that is sadly lacking at the national level. My hon. Friend the Member for Liverpool, Walton (Steve Rotheram) is Labour’s candidate for metro mayor for the Liverpool city region. After many false dawns, we finally have a chance for the Mersey barrage to be a reality, developing the high-tech industries that can drive forward the economy and deliver the quality jobs his constituents and mine so badly need, while potentially delivering energy self-sufficiency to the city region. The devolved Administration in Wales are committed to green technology, with eye-catching proposals for tidal lagoons—something mentioned by my hon. Friend the Member for Llanelli. Meanwhile, Sadiq Khan has committed to make London a city run entirely on clean
[Bill Esterson]

energy by 2050, joining the leaders of 50 Labour-run councils in making a 100% clean-energy pledge. Sadiq and his Labour colleagues recognise the damage being done by harmful emissions to the health of the people they represent.

Labour in local government and in the devolved Administrations wants to deliver on the green agenda, but it cannot do these things alone, and they should not have to be done in a piecemeal way. Why is the green agenda not a national priority, on which Government, local authorities and Assembly Administrations can all work together to deliver as full partners? Where is the underwriting by the Government of the development of our green industries? Where is the Government-backed green energy company to challenge the market and to address complacency from the energy cartel, which is simply not set up to put the needs of residential or business customers first! That is what follows from the short-term nature of the stock-market-listed companies that make up the cartel and from their need to put shareholder returns above all else. Where is the development of a national energy strategy to address the very real security concerns about supply? If the Government are committed to the green agenda, why, oh why, did they privatise the Green Investment Bank?

The Government are missing the fact that inconsistency and uncertainty are the enemy of investment. Last year, for the first time, the UK fell out of Ernst & Young’s top 10 most attractive countries for renewables investment. We used to top the table, thanks to clear long-term planning that gave investors confidence, but we fell to fourth in 2013 and 11th in 2015, and now we are 13th. The Government’s inconsistency is also undermining confidence in green tech start-ups. Why has confidence gone among investors? Because the Government have put short-term budget cuts before strategic investment, and because they make and revoke green policy piecemeal and in a vacuum.

There is an overwhelming economic case for the UK to build infrastructure and cutting-edge technologies, not just to meet our Paris agreement commitments. We are well placed to serve the market that exists given that 180 countries signed the Paris agreement. There are nearly 100,000 low-carbon and renewable energy businesses in the UK. UK Government figures value the green economy as a whole at £122 billion a year—double the size of the automotive industry, twice the size of the chemicals industry and five times the gross value added of aerospace.

Green energy is a major trade opportunity. We have signed deals for low-carbon trade of £6.7 billion with China and £3.2 billion with India. The global green energy market is growing at over 4% a year and is expected to reach £5 trillion this year. Trade in green energy has the potential to transform our export prospects just at the moment we most need it, following the Brexit vote.

Then there is the long-term cost of failing to invest. The decision to cut the pioneering CCS project might have saved the Exchequer £1 billion this year, but it is forecast to push the bill for meeting climate change agreements up by more than £30 billion, according to the National Audit Office—a very clear example of false economy. So where is the strategy: where is the coherence? Where is the Government’s fabled long-term plan? Whether we are looking for an environmental, economic or business rationale, the plan simply is not there. No wonder the 100,000 members of the public who signed the petition on ratifying the agreement on environmental grounds were joined by investors worth £13 trillion arguing the business and economic case for early and enthusiastic ratification of Paris.

The complete lack of strategy in green and renewable industries is threatening to rob the UK of a golden opportunity at the very time when it is most needed. The opportunities exist in renewables. They include the potential for us to be self-sufficient, the delivering of energy security, lower prices, a chance to develop world-leading status in a high-tech sector, and a massive export opportunity at a time of great economic need—and all the while we deliver on our obligations to the international community and to the environment.

We have a new Business Secretary: the chance for a fresh start. If he wants to—I hope that he is serious about an industrial strategy and about our global and domestic responsibilities—he has the chance to develop and deliver a strategy that puts the green sector at the heart of what his Government do. He has the chance to support our renewables industry, so that it can be the world leader it wants to be and can be. I hope that he takes the chance he has been given.

Madam Deputy Speaker (Natascha Engel): I call Jesse Norman.

6.12 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): Thank you, Madam Deputy Speaker. This is my first time at this Dispatch Box. I have often wondered what the view would be like, and I must tell you that it is really not bad. [Laughter.] And I do not just mean the Scottish National party. I was lured, without difficulty but with great regret, from the Culture, Media and Sport Committee because of the challenges involved and the extraordinary fascination of the issues. I discovered on my first day the challenging, testing and strenuous nature of the Department: the Canadian swim technique of being welcomed to the Department, briefed, and then invited to manage two statutory instruments within four hours—on carbon budgets, I might add. I could not have been more pleased to do that, given the importance of the issue.

We have heard many passionate speeches about climate change from Members on both sides of the House. We have gone from “Star Trek” to logarithms, and from bugs to lagoons. It has been a fascinating debate. There has been great expertise, some humour and some real wisdom displayed across the House. However, one very odd thing is that this has been an Opposition debate with remarkably little true opposition. We heard very eloquent words from the right hon. Member for Doncaster North (Edward Miliband), who was very kind about the new ministerial team. We have had the hon. Member for Southampton, Test (Dr Whitehead) welcoming the fifth carbon budget. We have had the hon. Members for Wakefield (Mary Creagh) and for Wirral West (Margaret Greenwood) praising the Home Secretary. Their tone has been absolutely admirable—constructive, bipartisan, intelligent and right—
and it has been echoed by other colleagues across the House, particularly the hon. Member for Aberdeen South (Callum McCaig).

What a contrast with the manufactured indignation of Opposition Front Benchers. You may know, Madam Deputy Speaker, that John Gielgud’s Hamlet was famous for its choked ferocity. He had the capacity to bring a tear to any eye, such was the intensity of his engagement. The Opposition spokesman managed to bring a tear to the eye of those in the House but, alas, it was a tear of laughter. He reminded me more than anything, in his histrionics, of Dame Edith Evans in the role of Lady Bracknell; but instead of declaiming about a handbag, he gave us a lot of nonsense about the Government’s record.

Barry Gardiner: Can the Minister adumbrate one single point that I made in my opening remarks—one single point where I criticised the Government for backsliding—on which I was wrong?

Jesse Norman: There are many that one could pick on, but my point was a matter of tone.

Barry Gardiner: So I was not wrong; I just said it in a nasty way.

Jesse Norman: I am enjoying the sedentary contributions from the Opposition spokesman, but he has had his moment. Let us focus on the two themes that came through, loud and clear, across all the speeches and interventions today. The first is that the issue of climate change is now in the absolute mainstream of our political debate. Whatever people’s specific views, climate change is recognised across all parties, in all the nations and regions of this country, as a central issue of public concern. The second point follows from that, and it is that we cannot and we must not view this country’s commitments in relation to climate change in a narrowly partisan or party political way. The Paris agreement has been welcomed by Members from across the House, as has the concerted action taken this week by China and the USA.

As the Prime Minister underlined only a few hours ago, this country has long exercised global leadership in this area. It has balanced great ambition with a sober recognition of the costs involved—costs that can hit not merely industry but often, directly and indirectly, the poorest people in our society. There is so much more to do, but what the UK has done is cause for celebration, not regret.

We can all agree that climate change is one of the most serious threats facing the world, and that has been brought home to us again today by the excellent examples highlighted in the contributions of the hon. Member for Glasgow North (Patrick Grady), my hon. Friend the Member for South Ribble (Seema Kennedy) and the hon. Members for Wirral West, for Llanelli (Nia Griffith) and for Wakefield, as well as by my brilliant colleague the Minister of State. We agree that climate change is one of the most serious threats facing the world. We agree that the UK has played, and will continue to play, a unique and important role in global action to tackle the changing climate. We agree that that action is an opportunity for growth, for new jobs and for improvements to health, to cities and to our daily lives.

That consensus is the prerequisite. It is the essential long-term basis for concerted action in this area by all Governments at any time. It will be especially helpful to us as we look forward to the COP22 meeting in Marrakesh in November, which will help to set many of the rules relating to the Paris agreement and so will mark a shift from aspiration to implementation. That consensus, and the need to maintain it, is fundamentally why I still hope that the hon. Member for Brent North will not press this needlessly divisive motion to a vote.

The Government have made it very clear that they welcome the push by the US, by China and by other countries towards the early ratification of the Paris agreement. We remain firmly committed to that agreement and to ratifying it as soon as possible. The convention, however, is that all European Union member states ratify the agreement together, collectively. We hope that that will happen, as has been said, as soon as possible.

Unfortunately, it is not true, as was stated by the hon. Member for Sefton Central (Bill Esterson), that France has ratified the agreement. The Commons Library briefing of 6 September says: “As set out on the UK French Embassy website it will not do so until all Member states and the EU are ready to do so, and will focus”—in the meantime, on—“encouraging other Member States to make progress”.

France was reported in the press as having ratified the agreement, but it has not in fact done so. I appreciate that we have heard some perfectly proper concerns about the Paris agreement coming into force before the EU has ratified it. However, there is widespread international understanding that in the event that the agreement enters into force early, countries that have not yet completed their domestic processes to allow ratification to take place—very important processes of consensual ratification—should not and will not be prejudiced. Not to do so would mean that as many as 140 countries, including some of the very poorest and most climate-afflicted nations in the world, would be denied a full seat at the table. COP22 in Marrakesh in November will, I hope, take a formal decision to that effect.

Turning to recent history, few countries have been more active in decarbonisation than this one. We were the first country to set, through the Climate Change Act, a legally binding 2050 target to drop our emissions by at least 80% on 1990 levels. Far from not having a strategy, we have just signed off our fifth carbon budget, which sets the terms for the overall picture. The UK has made great progress in reducing its emissions, which had fallen by 36% by 2014 on 1990 levels. During the past five years, between 2010 and 2015, our domestic greenhouse gas emissions have fallen by 17%, which is the biggest reduction in a single Parliament. We already have domestic obligations that keep the UK well below the 2° rise in temperature goal mandated by the Paris agreement.

Dr Whitehead: The Minister mentions the signing off of the fifth carbon budget and my pleasure about that, but perhaps he missed the point I made earlier, which is that the Government are nowhere near in any possible way meeting the terms of the fifth carbon budget, as a result of the policies they have recently put in place. That is presumably of some concern to him.
Jesse Norman: It has always been understood that, as has been stated, the Government would announce measures during this Parliament that will address the concerns—the perfectly proper concerns—the hon. Gentleman raises. I do not demur from the point that the framework exists, with the independent check of the Committee on Climate Change, whose suggestions the Government have, broadly speaking, in every case accepted. I do not think there can be much doubt about the structure and credibility of the long-term framework that the Government are following.

Through the Climate Change Act and the carbon budgets, Britain has an advanced model for the requirements set out in the Paris agreement, with a national plan to curb emissions and the aim to improve the plan every five years, setting progressively tighter targets. That model has been widely admired abroad, and it has proven extremely helpful and influential to other countries facing the same challenges, including Denmark, Finland and France. With the confirmation of our fifth carbon budget in July, we are in a strong position to continue on this steady path of improvement. That is the goal of this new Department. Its creation shows that climate change has become an absolutely mainstream part of our political life.

Mary Creagh: I do not know whether the Minister has seen the conclusions of the Environmental Audit Committee report, but the transport sector is set to miss one of the Committee on Climate Change’s interim decarbonisation targets by over 50%. Will he comment on some of the specific challenges facing the transport sector and on the fact that we are set to miss our fourth carbon budget for 2027, which is in nine years’ time?

Jesse Norman: I think we all recognise that, on present projections, the UK will have more to do to reduce domestic emissions. As has been said, that is going to require an emissions reduction plan. It is too early to give specifics about what will be included in that plan, but I can say that it will aim to set out the Government’s proposals across key sectors of the UK economy over the medium to long term and will be specifically structured to meet such needs.

I turn briefly to the issue raised by the right hon. Member for Doncaster North, namely our relationship with the EU in the context of Brexit. His words were wise, well chosen and constructive. Although we will ratify the agreement as part of the EU, leaving the EU does not mean that the UK will step back from this agenda. Indeed, let us all be quite clear that the UK will not step back from international leadership as such, and remains as committed as ever to tackling climate change. We will continue to be an outward-looking country. We have an unrivalled set of relationships around the world and membership of key international groupings through which to make the case for action and to build bridges between different views and interests, as he said.

Even after Brexit, we expect to work closely with the EU and with individual EU member states with whom we will have a continuing shared interest in pressing the case for action on climate change. We will continue to use the authority from our track record to support domestic and international climate action and shape the wider international agenda.

As I have made clear, our history of domestic climate action puts us in a very good position to build on what was agreed in Paris. The COP22 conference in Marrakesh marks an important further stage in the implementation of that global agreement. The negotiations are very complex and will take time, and we should not necessarily expect headline-grabbing outcomes. But it is important to focus on the positive side, from an innovation standpoint; some very important contributions, including that of the hon. Member for Glasgow North, stressed the importance of innovation.

Ambitious action on climate change should also lead to real opportunities for this country. As a result of the UK’s historical leadership we can build our progress towards a low-carbon economy both domestically and abroad. Low-carbon sectors are already an important and growing part of our economy. In 2014, more than 95,000 businesses were directly engaged in low-carbon and renewable energy activity, generating £46.2 billion in turnover and resulting in 238,500 full-time equivalent jobs. I particularly enjoyed and benefited from the remarks of my hon. Friend the Member for Wells (James Heappey) in that context, with his call for common sense and his emphasis on social justice and the importance of taking advantage of the economic opportunities.

Capital markets, too, play an increasingly important role in the transition to the low-carbon economy, and green finance is a major priority for the largest emerging markets. The green bond market, which funds projects with positive environmental or climate benefits, has grown from just $3 billion in 2012 to $42 billion globally last year. With London, the world’s most international financial centre, and with significant expertise and strong professional and legal services, this country is very well positioned to help finance the transition globally to a low-carbon economy.

I conclude by congratulating and thanking every Member who has contributed to the debate. It has been a very absorbing debate indeed. The number and quality of the speeches testify to the importance of the issues involved. The UK remains firmly committed to the Paris agreement and to its ratification as soon as possible. This country has not and will not step back from international leadership in combating climate change. We also remain committed to ambitious domestic action. The fifth carbon budget was set in line with the recommendation of our independent advisers, the Committee on Climate Change, as I have stressed. It is equivalent to a 57% reduction on 1990 levels.

We know that there will be complex challenges to decarbonising in the years ahead. That is to be expected. But our aim is to meet those challenges in a way that is fair and affordable, and maximises the economic benefit to the UK. That requires a whole-economy approach to delivering our climate change goals, one that effectively balances the priorities of economic growth and carbon reduction. Through the creation of the Department for Business, Energy and Industrial Strategy we will do just that.

Question put and agreed to. 

Resolved.

That this House notes that the USA and China have both ratified the Paris Agreement on climate change; regrets that the Government has not accepted the Opposition’s offer of support for immediate commencement of domestic procedures to ratify the Paris Agreement; further notes that if the UK lags behind its
G20 partners in ratifying the Paris Agreement it risks losing diplomatic influence on this crucial future security issue; recognises, in light of the EU referendum vote, the need to maintain a strong international standing and the risk of rising investment costs in UK energy infrastructure; and calls on the Government to publish by the end of next week a Command Paper on domestic ratification and to set out in a statement to this House the timetable to complete the ratification process by the end of 2016.

Garden Bridge

Motion made, and Question proposed, That this House do now adjourn.—(Mark Spencer.)

6.30 pm

Kate Hoey (Vauxhall) (Lab): It is nice to get started a bit early, which means I do not have to rush through my speech to fit it into the time. I hope other hon. Members wish to contribute.

I want to use this opportunity to lay out the issues around the garden bridge project, which is unfortunately now known by most Londoners as the vanity project. A Transport Minister will respond to the debate tonight, but it is certainly not a transport project. Lord Ahmed should be the answering Minister, but he is in the House of Lords. I welcome the Minister who is here and hope he understands his brief in the wider context.

I pay tribute to all those who have worked so hard to shine a light on the failings of the garden bridge project: Thames Central Open Spaces; the Waterloo Community Development Group; and a cross-party group of members of the Greater London Authority who did their best to get to the truth, especially Liberal Democrat Caroline Pidgeon, Labour member Tom Copley and Conservative Andrew Boff. They are from different parties but are united on the issue. I also pay tribute to the local councillors for Bishop’s ward, which is just across the river from the House, particularly Councillors Mosley and Craig, who have been brave enough to stand up to their own Labour council to represent strongly the views of their local area.

A great deal of the information I will use tonight had to be dragged out of public bodies by freedom of information requests. I pay tribute to the work of journalists such as Will Hurst from the Architects’ Journal, Peter Walker from The Guardian, Theo Usherwood from LBC and Hannah Barnes from “Newsnight”, who have done so much to ensure that the information, which should have been public in the first place, is transparent.

Many of us in London have been incredibly disappointed in London’s Evening Standard. From the beginning, it has ignored any criticism or alternative view of the project and has been the official mouthpiece of the Garden Bridge Trust, which is perhaps not surprising, because at one time its proprietor was shown as a governor of the trust, although that is no longer the case. It is sad that a paper once known for its fearless reporting has on this issue acted as the cheerleader without recognition of the widespread opposition from Londoners.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I thank the hon. Lady, who is a very good friend, for giving way. When the Evening Standard gave its support, did it consider making room for hedgehogs on the garden bridge?

Kate Hoey: I pay tribute to the hon. Gentleman’s work on supporting hedgehogs. Perhaps he shares my view that, if there were fewer badgers, we might have more hedgehogs, but that was not a consideration in any discussion to do with the garden bridge.

I am not a nimby and I am not afraid to support unpopular causes—I support some popular ones too, as we saw recently. For example, I supported the London
Eye from the beginning when many Members of the House thought it was wrong—they opposed the London Eye because they did not want to be overlooked when they were out on the Terrace. The London Eye was delivered without a penny of public money. It was painstakingly argued for by the two brilliant architects David Marks and Julia Barfield, who are my constituents. They spoke and discussed it with every group to win their confidence. We are going back some years now, but most importantly at that time, the London Eye was the catalyst for regeneration on that part of the South Bank. A specific trust was set up so that a percentage of the profit goes directly to keep the area policed and cleaned. The Garden Bridge Trust has behaved so differently. Its consultation, if it existed at all, can only be described as lacklustre. It treated local views with disdain, acting always as if anyone who objected was some kind of stupid. I was very disappointed when another constituent of mine, Joanna Lumley, who I have huge admiration for, at various times almost disparaged people who had genuine objections.

Now, I have to admit that when I first heard about a garden bridge across the Thames I, probably like most people, thought “Oh, that sounds really nice.” When described, the proposed garden bridge leaves the impression of being an enchanting mythical passage between Temple and the South Bank, an escape from noise and pollution, a tranquil hiding place. Who would not have thought that that was a nice idea? When we look at the reality, however, we see that it is very different. It will land in my constituency on a beautiful site overlooking the Thames that has 29 mature trees and wonderful views of St Paul’s. The site is an asset of community value dearly loved by locals and visitors. This public open space beside the river for the benefit of local residents, local workers and visitors.

Once I had really looked into the garden bridge proposals, I realised that even if the concept seemed nice, it was in the wrong place. There were other parts of the river where a transport crossing was far more needed. More crucially, there is the cost. This is not simply a local issue or even a London issue. It carries national significance in respect of the use of public funds and the delivery of a major infrastructure project in a specific location to the value of £185 million. In my view the arguments are very, very weak in respect of its need, supporting business case and, especially, location. Other areas of London have a significant need for investment of this sort, as do so many other important regions of our country.

Diana Johnson (Kingston upon Hull North) (Lab): On the regions, at the same time in 2014 that the Department for Transport was providing £30 million of public money to back the bridge, despite the £185 million scheme not having the required £100 million of private sector funding, Hull had £100 million of private sector funding to electrify the rail line to Hull. The Hull scheme was submitted to the Department for Transport and has sat in the Department for over two years, even though it had to provide only £2.4 million of public money. Does that not show that the regions are losing out again when it comes to transport investment by this Government?

Kate Hoey: I have great sympathy with my hon. Friend. Many other hon. Members across the country will look at this money and wonder why they have not been able to get something like this for something that is really needed in their area.

Christian Matheson (City of Chester) (Lab): My hon. Friend is a doughty campaigner for her constituency in London, but does she agree that no other city or region of the UK would qualify for the level of Government attention and initial expenditure the bridge has received?

Kate Hoey: I absolutely agree. I stick up for London. I believe that London, being a great capital city that is loved by the people who live here while being very open to tourism, does sometimes need special arrangements, for example policing. This, however, is something very different. Perhaps the problem for my two hon. Friends is that they do not have Joanna Lumley living in their area.

Let us look at the cost. When the garden bridge was first announced, it was claimed it would not require a penny of public money. Very soon after, the former Chancellor announced £30 million of support and Transport for London also came up with £30 million. So, £60 million of taxpayers’ money has been committed to a project that came out of thin air. It had never been discussed with anyone before it was announced, unless in private discussions between Joanna Lumley, the former Chancellor and others.

From the beginning, those supporting the Garden Bridge Trust behaved as if they knew they had support in high places—and of course they had. The report in February by Project Compass, the not-for-profit procurement intelligence service, goes into great detail on how the procurement process was handled. The tender originally asked for broad options for a pedestrian bridge between Temple and the South Bank, and it made no mention of a garden/living bridge element. As a result, only the Heatherwick Studio bid responded with not just a garden bridge proposal, but a design drawing and actual location plan of the garden bridge. That had not been called for in the tender spec, yet Heatherwick Studio received the highest mark for its understanding of the brief.

A single person in City Hall—Richard de Cani, the then managing director for planning for Transport for London—assessed the technical and commercial evaluation of the three bids. Usually, subjective judgments in public tender documents have a team of assessors to ensure impartiality, but this is the same Richard de Cani who we now know used to work for Arup—the same Arup that in another flawed tendering process, as outlined by Project Compass, won the contract for the Temple bridge part of the garden bridge and has been given more than £8 million.

It gets worse. Where has Mr De Cani gone back to work? Arup, of course. Arup seems to like ex-City Hall staff, because it has recently appointed as its new global transport leader Isabel Dedring, the former City Hall deputy head of transport. She was personally involved with nearly all the meetings prior to the tendering process with Thomas Heatherwick. So, both of the
officers directly involved with the entire process have now left City Hall and gone to be employed by the garden bridge engineer and lead consultant, Arup. That could be a coincidence, but I think that most fair-minded people would think that it is very strange. Even Greater London Authority’s internal audit head, Clive Walker, admitted that the procurement had been neither open nor objective.

There is a question mark over the procedure, and yet the National Audit Office could do nothing about it. It responded to me by saying that it was not in its remit to look into TfL behaviour, and that that was the responsibility of the GLA oversight committee, supported by locally appointed auditors. Ernst & Young is the GLA’s locally appointed auditor and it was also appointed by the Mayor to run the investigation into TfL, but—believe it or not—Ernst & Young is listed as having donated £500,000 to the bridge, and an Ernst & Young partner also sits on the board of the Garden Bridge Trust. The GLA oversight committee looked into that, and its chair described it as a “dodgy design procurement process” and suggested that TfL reimburse the two other applicants, WilkinsonEyre and Marks Barfield.

I think that the NAO should be able to investigate public money used by TfL. I am glad that it has agreed to look into the £30 million given by the former Chancellor of the Exchequer via the Department of Transport and how it has exercised control over the money.

The model under which the GBT operates sets a dangerous precedent—this is why this should be of interest to all Members—that allows public bodies to effectively offshore major infrastructure projects by leveraging charitable vehicles, under the oversight of the Charity Commission, to avoid the transparency and scrutiny preserved for governmental bodies via the NAO. The House will be interested to know that since July 2015, £26,720,292 has been paid to the GBT, with absolutely no accountability for how it has been spent and no visibility of its accounts.

The current Mayor stated when he came to office that £37.7 million has already been spent by the trust, but:

“Nothing has been achieved to date”.

More recently, he stated on LBC that the figure was now £42 million, yet he himself had stated that he did not want a penny more of public money. It would be interesting to know why another £5 million to £6 million has been spent since he came to office.

Recently, Lord Davies, the chair of the Garden Bridge Trust, stated on “Newsnight” that a significant amount of spend had been on two contractors, namely Arup and Bouygues, which is a French company and there are slight variations in how it is pronounced. No visibility has ever been provided over those contractual arrangements, or legal clarity provided as to whether there are clauses to return public money in the event that the project is cancelled.

I believe that contracts should not have been entered into until the land arrangements on both sides of the river had been secured because it exposes taxpayers’ funds to risk. The land deal still has to be negotiated and Coin Street Community Builders, who hold the long lease from Lambeth, are not happy with the terms of agreement even now. A judicial review has been filed. The money for that was raised by small donations across London. Quite suddenly, just a few weeks ago, the GBT changed its dates for filing its accounts, originally due on 31 July, to 31 December. Again, this lack of transparency is very worrying.

This project is at risk not just of never happening, but of being a colossal white elephant. It is nicely depicted in a cartoon in this week’s Private Eye, with a big white elephant over the Thames. We now know—it has been admitted by Lord Davies on “Newsnight”—that it is going to cost £10 million more, up to £185 million, and will be further delayed by a year even if the GBT gets what it wants. It now has to raise between £52 million and £56 million just to build the bridge, up from the original estimate of £32 million. Additional money is needed to support the running costs at £3 million per year, while the insurance is £15 million, but only £9 million has been offered as surety by the Department for Transport.

I understand—the Minister will want to go into it—why the Secretary of State agreed to continue the underwriting, but I welcome the fact that the Department did not say that it was going to increase it in any way. There was a danger of allowing it to continue, with increased amounts each month. In fact, that did not happen, which is to be welcomed. I still think that this is a ridiculous waste of public money.

The GBT’s own press release from June 2016, just a few months ago, admits to spending £22.7 million of public money solely on pre-construction activities—progressing the design, obtaining licences, permits and planning approvals, which are still not final, including stakeholder and community consultations—but no further information was provided. A number of leading construction experts have said that they cannot understand how that could have amounted to anything more than about £1 million.

I genuinely cannot understand how the Government, whether it be the Treasury or the Department for Transport, can feel comfortable with the truly remarkable amount of money already spent by the GBT. I find it hard to explain to my constituents, many of whom would be the kind of people the new Prime Minister addressed from the steps of Downing street on her first day in office, precisely how £40 million pounds of public money has already been spent on a bridge that is going to be closed regularly for private functions, that will not allow cycling and that will be subject to all sorts of rules about what can and cannot be done on it. As I said, the bridge is in completely the wrong place.

Bob Stewart (Beckenham) (Con): I thank the hon. Lady for what she has said. Having come here to listen to her, I am increasingly against this garden bridge project. Is it true that the beautiful view of St Paul’s created by Canaletto will be destroyed by this project?

Kate Hoey: I thank the hon. Gentleman, and I am glad to hear that he has come to this debate with an open mind. Yes, as I am going to mention later, that is indeed one of the most dreadful things that will happen. It might not seem that important, but once it is no longer there, we will realise it and miss it. The wonderful views of St Paul’s from Waterloo bridge will be ruined. That will happen without a doubt if the garden bridge is built.

I also find it difficult to understand why this new Government are giving money and underwriting a project for a charity whose donors and backers too often remain...
unidentified. The public do not discriminate as regards which pot of money the funds come from; to them, it is all public money. There is, however, a list of donors and a breakdown of the funding up to August 2016, and what is remarkable is how many of those donors are anonymous—anonymous this and anonymous that. Why do they want to be anonymous? Some people might decide that they want to be. Strangely, however, £12.6 million is described as being “confidential until launch announcement”. Is that real money or is it a pledge from someone? It is all smoke and mirrors. I shall say more about donors in a few moments. Because of that, and because of the way the trust’s accounts have been dealt with, I welcome the Charity Commission’s investigation, which it has confirmed to me in writing.

Let me say a quick word about the business plan, which has been examined admirably and in great detail in a report entitled “Operational Viability of the Garden Bridge” by Dan Anderson, who is a director of Fourth Street. Some Members will know of Fourth Street, which has done great work for the National Trust and other public bodies. The report draws attention to all the flaws in the business plan, and I commend it to anyone who wants to understand more. In paragraph 4.2, Mr Anderson makes this crucial point:

“It is worryingly worth noting that the Garden Bridge Trust has a perverse incentive to spend money as quickly and not as efficiently or cost-effectively as possible. That is, the Trust has a powerful incentive to ensure that it reaches a ‘point of no return’ (in financial terms) as quickly as it can so that land acquisition and/or legal challenges do not ultimately thwart the project.”

I think that that must be a very large part of the explanation of how such an extraordinary sum could have been spent before construction has even started.

Others, too—apart from the Government, Transport for London and City Hall—need to examine their behaviour in respect of this project. A cosy little cartel has been operating, with everyone blaming everyone else. The almost zealous support that has been given to the Garden Bridge Trust by Lambeth council is disturbing. The chief executive has attended meetings with the Mayor’s head of staff, David Bellamy, and the trust. The council’s leadership has never allowed a proper, full debate in the council and a vote, and has ignored local councillors’ views. Council officers and members have proceeded for three years without any policy basis. Their transport plan does not even mention the garden bridge, as well as making congestion on the South Bank—which is already at dangerous levels during some weekends—much worse.

Charitable trusts and private donors should now stop their support and look elsewhere for projects more in keeping with their objectives. That is what I would like to see happen.

This has been put forward as a wonderful new tourist attraction for London. It is a tourist attraction, but it has been dressed up as tourist infrastructure; it has been presented as something that would bring back the glory days of the River Thames. The truth is that it is a deeply flawed project which, as I said earlier, will ruin the most wonderful views of St Paul’s from Waterloo bridge, as well as making congestion on the South Bank—which is already at dangerous levels during some weekends—much worse.

Having talked privately to many of those who are involved in all the different aspects of the project, I know that there is huge unease. I know that there is unease in the Department for Transport, I know that there is unease in Lambeth, and I know that there is unease in Coin Street. I know that most of those people—with the exception, probably, of the former Chancellor—one would like the project to be stopped, but no one wants to be fingered as the person responsible for actually saying no.

I appeal to all the potential donors to think carefully about whether they want to be associated with the project. I believe that the reputation of many of them will be damaged by their support for this folly. As the critique of the business plan states, the garden bridge must be loved as much by the public as by its creators, or the business model will fail. Given how unpopulat it is and how much has been exposed by freedom of information requests, I have to say that if I were a trustee of a body that was thinking of donating to the Garden Bridge Trust, I would be thinking again. It is ironic that this may be the only way in which we may now be saved from a complete waste of public money, even more of which will be wasted as time goes on, and a deeply flawed project which, as I said earlier, will ruin the most wonderful views of St Paul’s from Waterloo bridge, as well as making congestion on the South Bank—which is already at dangerous levels during some weekends—much worse.

We have to ask who has sold us down the river and how we can ensure that no more damage will be done and no more public money will be wasted. This Garden Bridge Trust project must be stopped by someone, and I would like to hear the Minister say he will do his utmost to make sure not a penny more will be spent and that we will find ways, when this project fails, as I believe it will, to get that public money back.

6.56 pm

Christian Matheson (City of Chester) (Lab): In my very brief contribution, let me start by paying warm tribute to my hon. Friend the Member for Vauxhall (Kate Hoey). It says a lot about her and her priorities that when she is offered what is apparently a prestigious large-scale project in her constituency, she takes the opportunity to highlight its effect on ordinary people in her community, and her mind is made up partly because of that. I also pay tribute to her for the forensic way she has tried to get
through the muck of the financing of this project. She has obviously made some progress, but some muck remains; there is still a lack of clarity.

My ears pricked up at the sound of the £30 million from the Government. The Transport Minister who is in his place will know that I have been campaigning for just £100,000 for a transport project on the M56 to put in police and Highways England safety cameras. Sadly, the Minister declined that expenditure. Yet at the same time we can find £30 million to pour into a black hole, which my hon. Friend tells us is a vanity project, with several big-name backers but no clear benefit to the community. Will the Minister tell the House in his response whether he thinks that £30 million spent on a vanity project garden bridge in London is better expenditure than £100,000 on motorway safety cameras in Cheshire? Is the garden bridge receiving this level of public money simply because it is in London rather than the north-west of England?

Stephen Pound (Ealing North) (Lab): I am afraid my hon. Friend seems to be straying into the Brexit argument about figures written on the sides of buses, because I do not necessarily think this is an either/or. I am massively in favour of my hon. Friend. Friend getting all the money he needs for his part of the world, and he has made the case very strongly, but he must not think it is because of the garden bridge that he is not getting it. I ask him to let his spirits soar with the imagination of this marvellous project which will be immensely beneficial to London and the country. Tourists will flood in to see this beautiful creation. Have a little imagination. Chester is a beautiful city—I admire it and love to visit it. Come and visit London and see, hopefully, our marvellous garden bridge.

Christian Matheson: My spirits soar every time I hear the garden bridge. My point is simply that there seems to be a reason why £30 million of public money is being given to this project despite the immense lack of clarity that my hon. Friend the Member for Vauxhall has exposed, despite no clear end to the project, and despite very little financial and accounting responsibility and oversight.

Peter Dowd (Bootle) (Lab): I completely take on board my hon. Friend’s point. Does he agree that, by all means let us have vanity projects, but let us have them when we have done the bread-and-butter stuff? In my constituency, we have got £10 million for a major link to the port and railway, but meanwhile tens of millions of pounds are being spent on these vanity projects.

Christian Matheson: My hon. Friend is absolutely right. However, as my hon. Friend the Member for Vauxhall’s excellent expose has revealed, we are not even sure how much this vanity project will cost. I simply ask the Minister for some clarity: does he believe that this £30 million is—

Oliver Colvile: I thank the hon. Gentleman, who is also a very good friend. We, too, need a significant amount of investment in the railways and roads in Devon and Cornwall—

7 pm
Motion lapsed (Standing Order No. 9(3)).
Motion made, and Question proposed, That this House do now adjourn.—(Mark Spencer.)

Oliver Colvile: It is a great shame, too, that there will not even be a hedgehog superhighway.

Christian Matheson: Much as I support the campaign of my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile), I am concerned that we are getting away from the main points that have been made by my hon. Friend for Vauxhall. I simply want to ask the Minister whether he believes that this would be £30 million of public money well spent, and whether that amount would ever have been spent anywhere other than in London.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. Before I call the next speaker, I must remind Members that this is quite a narrow debate on the garden bridge in London. Other projects might be very interesting, but the Member in charge is the hon. Member for Vauxhall (Kate Hoey), and Vauxhall is in London. If we do not get answers to the questions that she has asked, we will deserve to get answers from her. I appreciate that London is the capital city and that it rightly gets more money as a result, but I recently learned that the new Crossrail station at Canary Wharf was costing £500 million—and getting a roof garden; there is obviously a thing about gardens going on—which is more than double the cost of what my city of Hull needs for rail electrification and all the road transport schemes that we have been arguing for for many years. It would therefore be helpful if the Minister told us what prospect there is of closing the gap, given the ratio of 6:1 in relation to funding for London compared with other parts of the United Kingdom. That seems quite out of kilter, especially if the Government really are committed to the northern powerhouse and to rebalancing the spend on infrastructure all around the country.

7.1 pm
Diana Johnson (Kingston upon Hull North) (Lab): Thank you, Madam Deputy Speaker. I have listened carefully to what you have said. I also congratulate my hon. Friend the Member for Vauxhall (Kate Hoey) on her speech and on the questions that she has asked. We all deserve to get answers to them. I appreciate that London is the capital city and that it rightly gets more money as a result, but I recently learned that the new Crossrail station at Canary Wharf was costing £500 million—and getting a roof garden; there is obviously a thing about gardens going on—which is more than double the cost of what my city of Hull needs for rail electrification and all the road transport schemes that we have been arguing for for many years. It would therefore be helpful if the Minister told us what prospect there is of closing the gap, given the ratio of 6:1 in relation to funding for London compared with other parts of the United Kingdom. That seems quite out of kilter, especially if the Government really are committed to the northern powerhouse and to rebalancing the spend on infrastructure all around the country.

7.2 pm
The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I congratulate the hon. Member for Vauxhall (Kate Hoey) on securing the debate on this important topic. I am sorry that I am not my noble Friend Lord Ahmad, whose responsibility this is in the Department for Transport, but I understand that a meeting has been arranged and that she will be seeing him shortly.
I recognise, as do the Secretary of State and all my ministerial colleagues in the Department, that the garden bridge is a subject that divides public opinion—it is dividing opinion tonight on Benches just a few feet away from each other. Its supporters argue passionately that it will be an iconic and beautiful addition to the London cityscape, while its opponents argue that it is an unnecessary eyesore and that no public money should ever have been put into it.

Let me start by explaining why the Government decided to support this iconic and novel project in the first place. The previous Mayor of London was approached some years ago with an idea for a completely new type of bridge: a footbridge that was also a park, and a place where people could cross the river as part of their journey or stop and enjoy the surroundings and wonderful views of London and the river. The Mayor and Ministers at the time considered that this could be an innovative and iconic project for our city, but they did not—they still do not—consider that the project should be wholly funded by the taxpayer. However, they agreed to help with some funding to kick-start the project and stimulate private sector funding. The then Chancellor of the Exchequer therefore announced in the 2013 autumn statement that the Government would provide £30 million towards the project as long as the Mayor contributed a similar amount, and as long as there was a satisfactory business case to show that the project would deliver value for money for the taxpayer.

The Garden Bridge Trust and Transport for London produced a business case in early 2014, which the Department for Transport analysed carefully in exactly the same way as it does for any transport project. The analysis showed that while it was a highly unusual project and one with a wide range of possible benefit-cost ratios, there was a reasonable chance that it would offer value for money for the taxpayer. We therefore agreed to release the £30 million of funding that had been pledged by the Chancellor, but importantly we attached several conditions to our funding, including a cap of around £8 million on the amount of Government money that could be spent on pre-construction activities, which was designed to limit taxpayer exposure in the event that the project did not proceed. A requirement was also included for TfL to draw up a detailed funding agreement with the trust governing how the money would be used.

Over time and in response to requests from the trust, the cap on the Government’s exposure was increased in stages to £13.5 million as circumstances changed and as it became clear that more money was needed to get the project to the point at which construction could start. The trust then asked the Government earlier this year to underwrite the project’s potential cancellation costs. Let me be clear that that was not a request for additional funding; instead, it was a request to be able to use some of the £30 million that we had already committed to pay the project’s cancellation costs should that be necessary. Without such an underwriting guarantee, the trust said that the project could not continue. After careful consideration, the Department agreed in late May to provide a time-limited underwriting guarantee but, again, with various conditions attached, including a requirement for the trust to provide more regular reports to the Department on the status of the project and the steps that it was taking to address the risks.

Over the summer of this year, as a result of further delays to the construction timetable, the trust asked whether the underwriting guarantee could be extended beyond the September deadline. The Department agreed last month that it could, but in such a way that the risks are more fairly shared between the Government and the bridge’s private sector backers. To be precise, the Government will now underwrite £9 million of the cancellation costs, should they arise, with the private sector required to underwrite any such costs above that level. The Government therefore continue to support the project and wish it well, but we have made it clear to the trust that not only public money should be at risk should the project fail.

The challenge now for the trust is to focus its efforts on getting private sector backers to take on some of the risk. We have also reiterated that the Government have no intention of putting more than the £30 million originally pledged into the project—that is a cap.

**Peter Dowd:** Will the Minister tell us whether the first tranche of the cancellation costs will be picked up by the taxpayer or by the private sector?

**Andrew Jones:** My understanding is that it would be a joint undertaking, but I will check the detail of any financial arrangements and report back to the hon. Gentleman.

As I was saying, the bridge must be predominantly funded by the private sector. As things stand, at least two thirds of the funding will come from private donations.

I understand that there are many concerns about the project, some of which I will talk about. The hon. Member for Vauxhall has already articulated a number clearly and in detail. The Garden Bridge Trust was set up in 2014 to manage the construction of the bridge. This experienced group of trustees has complete control over development and fund raising. The Department for Transport and TfL speak to the trust regularly to discuss progress and concerns. A significant amount of work has already been achieved on this complex project, which involves many different interested parties, and a huge amount of progress has been made. The land must be secured, permission to use the river obtained, and all necessary land planning conditions secured. A large ship, HQS Wellington, will also need to be moved. Those are all complex tasks that will take some time to achieve. There is still much work to be done before construction can start, but most issues are expected to be resolved soon.

**Bob Stewart:** The Minister might not know something that I became aware of today. A considerable part of the constituency of the hon. Member for Vauxhall (Kate Hoey) on the South Bank—a tree-lined avenue—will have to be demolished. The question therefore is: are we going to lose a tree-lined avenue, and will that be the equivalent of what we are going to get on the garden bridge?

**Andrew Jones:** I thank my hon. Friend for his intervention. The hon. Member for Vauxhall said that 29 trees would be removed, but the Garden Bridge Trust
would argue that they would be more than replaced by the increased number of trees that would be part of the planting.

I am aware that many concerns have been raised about the bridge, and who would be able to use it and when, so let me clarify some points. While the bridge will principally be a footbridge, it will be open to all, although cyclists will be asked to dismount when crossing it. That is consistent with other footpaths in this area, such as those along the South Bank, and is simply to ensure the safety of pedestrians.

Kate Hoey: The Minister might be aware that the Ramblers, an organisation that is not known to oppose anything that will help people to be able to walk, has made it clear that it opposes this, because one condition of going on to the bridge will be that people will not be able to be led in a group, so it would not be able to take its groups across the bridge. Many different conditions have been put in place. This is not just going to be a garden or a bridge, and it certainly cannot be called a garden bridge.

Andrew Jones: I was aware of the Ramblers' objections, but the bridge is certainly planned to be open to all. It will include step-free access and there will be no charge to use it. I am aware of a media report that there will be bans on large groups, but I understand that that is not correct, although they will be encouraged to phone in advance to find out the best times for a large group to visit. There is no ban on large groups. The bridge will be closed at midnight, in line with local attractions and transport facilities. Again, that is consistent with other parks in London, although some of them close earlier, at dusk.

There will also be some days, or parts of days, when the bridge is closed. These days will be limited. The purpose will be to ensure that income can be generated to ensure that the maintenance of the bridge is self-funding. There will be a maximum of 12 of those days through the year. There are concerns about the use of the land on the South Bank, which have been clearly articulated in the House, and I certainly sympathise with residents' concerns about the loss of some of the trees in this area. However, the Garden Bridge Trust plans to plant more than 270 trees on the bridge, as well as thousands of bulbs and plants, to create a tranquil place, which I hope would be used by residents in the area.

I understand the concerns that the hon. Lady has clearly articulated about how the trust is being run, but the bridge is certainly planned to be open to all. It will include step-free access and there will be no charge to use it. I am aware of a media report that there will be bans on large groups, but I understand that that is not correct, although they will be encouraged to phone in advance to find out the best times for a large group to visit. There is no ban on large groups. The bridge will be closed at midnight, in line with local attractions and transport facilities. Again, that is consistent with other parks in London, although some of them close earlier, at dusk.

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Andrew Jones: I understood the hon. Lady’s point. All I can say is that some projects are very complex as they have a mixture of public and private finance, and in some cases, it takes a very long time to get projects out of the development phase and into construction. That is a comment not on the individual project that we are talking about here, but on projects overall.

In conclusion, although I recognise and understand the concerns raised by the hon. Lady and other Members in the House today, the garden bridge is a unique and exciting project. The hon. Member for Ealing North (Stephen Pound) has asked whether I could be much more euphoric in my language. Well, it is certainly an opportunity to showcase the ambition, creativity and talent that exist in this country. We see it in so many examples, and transport is one area in which we lead the world.

Kate Hoey: The Minister has said very little about some of the important criticisms that I made of the procurement process and the fact that scrutiny from City Hall was done by a company that was involved with the garden bridge. Can he tell us, in the secrecy of this Chamber, that he has no concerns about some aspects of the project? If, as we hope, the bridge project fails, will he lose any sleep?

Andrew Jones: I see this as a project that could well enhance this magnificent capital city. It has to be done correctly. I have not been involved in the process up to now. As the hon. Lady knows, the Minister who was responsible is my noble Friend Lord Ahmad. Would I lose sleep over it? Well, if it is done correctly, it could be an opportunity to enhance what is already a wonderful part of our wonderful capital.

I see many examples around our country where people are a little cautious, perhaps a little sceptical, about projects, but sometimes when those projects come to fruition or start being built, people row in behind them and realise just what they can be. This could well be one of those cases. I hope we will have a project to show that London is a thriving, creative, bustling, ambitious city with all the talent in the world. It will show that London is open for business, and the Government wish it every success.

Question put and agreed to.

7.20 pm
House adjourned.
House of Commons

Thursday 8 September 2016

The House met at half-past Nine o’clock

PRAYERS

[MR SPEAKER in the Chair]

Mr Speaker: On the front page of today’s Order Paper it is noted that on 9 September 1916, Lieutenant Thomas Michael Kettle, Royal Dublin Fusiliers, Member for East Tyrone from 1906 to 1910, was killed in action at Ginchy during the Battle of the Somme.

We remember him today.

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State for Culture, Media and Sport was asked—

Rural Broadband

1. Sir Henry Bellingham (North West Norfolk) (Con): What plans she has further to roll out broadband to remote communities.

The Secretary of State for Culture, Media and Sport (Karen Bradley): We continue to support the roll-out of superfast broadband to reach 95% of UK homes and businesses by December next year, and we are reinvesting funds from project savings and revenues specifically to help those people in harder-to-reach areas, such as rural communities.

Sir Henry Bellingham: I congratulate my right hon. Friend on her promotion and wish her well in her post, which I am sure she will make a great success of. Is she aware that, while 84% of properties in my constituency have access to superfast speeds, 9.5% still do not have access to 10 megabits per second and 2% have no access at all to even basic broadband? Many of those remote communities include farms and businesses that want to expand and get on and diversify, but they are being held back, so what more can she and her team do about that?

Karen Bradley: I thank my hon. Friend for his kind words; I do appreciate them. He has pointed out that more than four in five properties in his constituency have access to superfast broadband; it is very important that they know that and make sure, if they wish, that they can access it. I know that very well, given that I have written to me recently about the problems with superfast broadband and lack of access to it. Obviously, if people do not have access to it, their non-access is 100%. They want certainty in timescale and when it is going to happen. What can the Secretary of State do to increase that certainty?

Karen Bradley: I fully appreciate the hon. Gentleman’s comments, which are exactly the same as those I receive from my constituents. I am working, together with the Minister for Digital and Culture, to make sure that we communicate to all people and businesses when they can expect access to superfast broadband. We are also making sure that universal service is available to all in the timeframe set out.

Mr Philip Hollobone (Kettering) (Con): The village of Harrington in the borough of Kettering is just two miles from the town of Rothwell, and yet it has had tremendous difficulties in persuading BT to provide it with superfast broadband. Farms on the outskirts of Harrington are almost in despair that they will never get it. What reassurance can the Secretary of State give my constituents that they will be connected?

Karen Bradley: I encourage my hon. Friend to contact me and the Minister of State, and we will make sure that we speak both to BT Openreach and to other service providers, to find out exactly that information.

Richard Burden (Birmingham, Northfield) (Lab): Does the Secretary of State agree that the existence of not spots in urban areas is often the result of a combination of cock-ups, including commercial rivalries between companies, which are sometimes overlaid with developers taking their eye off the ball at the wrong time and local authorities not getting their act together? Whose responsibility is it to sort that out?

Karen Bradley: The hon. Gentleman has nailed some of the problems in urban areas, the Minister and I are working very hard to rectify them.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I welcome the Secretary of State to her place. As a fellow graduate of Imperial College, I hope to find in her a fellow champion of the digital economy. However, although I welcome her to her place, she should be ashamed of the situation we are in. In 2016—four years after the last Labour Government’s commitment to universal broadband for all would have come into force—hundreds of thousands of British citizens do not even have the speed to download an email and can only dream of the speed necessary to watch the parliamentary channel and see your good self, Mr Speaker. Will the Secretary of State disavow her predecessor’s laissez-faire attitude and tell us what she is going to do to end that disgraceful situation?
Karen Bradley: The hon. Lady and I are both alumni of Imperial College, a great institution that does so much to further science and technology and to ensure that we have the right skills in the digital market so that we can be a world leader. I have to take issue with some of the comments she has made, however. This Government have done more than many others and this country is well ahead of, many others in broadband provision. I fully appreciate that if an individual does not have access to broadband, they feel somehow that that is not right. It is not right; we are determined to get it right, and we will get it right. I absolutely and totally disagree with any suggestion that there is a laissez-faire attitude in the Government. This Government are a Government for all the country—for everyone—and we will deliver.

Local Television

2. Paul Blomfield (Sheffield Central) (Lab): What recent assessment she has made of the contribution of local television services to broadcasting.

The Minister for Digital and Culture (Matt Hancock): Local TV makes an important contribution to British broadcasting, with around 1.5 million households watching it each week. Twenty-one channels have launched since November 2013, with a further 13 due to come on air next year.

Paul Blomfield: The Minister has highlighted the successful development of local TV. That success is underpinned by a partnership with the BBC, which provides an income stream in return for sharing news content, but the arrangement is now at risk with new proposals for commissioning local content. Will the Minister agree to meet the local TV network to discuss how the proposed public service content fund could be used to provide continued support to local TV?

Matt Hancock: Yes, I would be delighted to do so. The detailed arrangements that were set out in the BBC White Paper are a matter for the BBC, but it will clearly want to consult and engage with all local media. I would be enthusiastic about meeting local TV providers with the hon. Gentleman. It is disappointing to have sedentary voices from the Opposition shouting that local TV is not relevant. I think it is hugely relevant, and I look forward to working across this House to deliver it.

Martin Vickers (Cleethorpes) (Con): May I draw the Minister’s attention to Estuary TV, which was established 12 years ago at Immingham in my constituency, and is now based at the Grimsby Institute? It is a long-established channel. May I invite the Minister to follow his predecessor and visit the station, which I am sure will give him an extended interview?

Matt Hancock: Well, how could I turn down an offer like that? I love Grimsby. It is great to come to Cleethorpes with my hon. Friend, and to Grimsby, too. I hope that even these exchanges may find their way on to Estuary TV. As with other brilliant local TV stations that I have appeared on in the past, I look forward to visiting this one in the future.

John Nicolson (East Dunbartonshire) (SNP): May I also welcome the new Secretary of State and her team and wish them well? Has the Minister had any opportunity to read the report on the BBC by the Select Committee on Culture, Media and Sport, and in particular the Committee’s unanimous recommendation that there be a separate Scottish six o’clock news? Moreover, have the Minister or his colleagues talked about that with anybody senior at the BBC, and can he reassure us that there will be no Government interference to try to thwart the “Scottish Six” when it is launched?

Matt Hancock: The hon. Gentleman raises an important issue, and I know that there have been extensive discussions with the BBC at all levels about the draft charter and the framework agreement. I am afraid that he will just have to wait a short while longer for more detail about that.

Kelvin Hopkins (Luton North) (Lab): May I take the opportunity to congratulate the Secretary of State on her appointment and welcome her team to the Front Bench? May I also add my congratulations to our brilliant Olympians on their stunning success in Rio and wish our Paralympians similar success?

Local television services face the threat of serious cuts if the Government press ahead with their plan to make the BBC pay the cost of free licence fees for the over-75s. As a social benefit, that has hitherto been paid for by the Exchequer, and rightly so. Transferring the cost to the BBC could mean a loss to the corporation, and effectively to other licence fee payers, of up to £608 million a year, threatening programme cuts across the board. Will the Government think again about this utterly misguided decision?

Matt Hancock: I simply do not recognise the hon. Gentleman’s characterisation. There was a very good licence fee settlement, which the BBC welcomed. If he is coming out against providing free TV licences to the over-75s, he ought to say that that is the Labour party position.

Culture: North-east

3. Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): What plans she has to promote culture in the north-east.

The Minister for Digital and Culture (Matt Hancock): The Government support culture in the north-east through Arts Council England investment and the Heritage Lottery Fund. The north-east has a thriving and growing arts scene that we want to support, such as the National Glass Centre and the Cultural Spring programme.

Mrs Hodgson: I am thrilled to hear the Minister talk about culture in the north-east, and I would love to take him to the National Glass Centre in Sunderland and the Arts Centre in Washington. Does he agree with me that the disparity in Arts Council funding between the north-east and places such as London is one of the reasons why it would be excellent for Sunderland to become the city of culture 2021 to showcase our city’s cultural contribution to the rest of the UK and to the world?
Matt Hancock: The hon. Lady has made an excellent case for an application to become the city of culture 2021. I am hugely looking forward to the city of culture 2017 in Hull next year. No doubt her comments will be picked up. I would love to come to Sunderland soon to see some of these things for myself.

Leveson Review

4. Christian Matheson (City of Chester) (Lab): What recent progress has been made on the implementation of the Leveson review; and if she will make a statement.  

Karen Bradley: The Government have delivered the majority of the recommendations set out in the Leveson inquiry report.

Christian Matheson: May I, too, congratulate the Secretary of State on her appointment? The long grass into which the Government have kicked the Leveson review is getting ever longer, but the issue is not going away. The previous Prime Minister signed a cross-party agreement, and this House overwhelmingly passed section 40 of the Crime and Courts Act 2013, so when will she implement it?

Karen Bradley: I am taking my time to make sure I listen to all sides on this matter. I have already had a meeting with Hacked Off and I am going to meet all representatives; I wanted to hear from all victims of press abuse. I will take my time and make sure I make the decision in the right way.

Leek Post and Times

Mr John Whittingdale (Maldon) (Con): May I join hon. Members in congratulating my right hon. Friend on becoming Secretary of State for Culture, Media and Sport—the best job in the Government? Does she share my concern about the continuing loss of both jobs and titles in the national and local press? Does she agree that there may be a case for saying, if there is a recognised regulator, that its members will be given the protection afforded under the Leveson recommendations, but that to impose the cost penalties would simply result in the loss of yet more newspapers?

Karen Bradley: I am having to fill my right hon. Friend’s really enormous shoes as best I can, because he did an absolutely fantastic job in this role. He sums up the dilemma that we face. We want to have a free press, and we want to make sure that we have a strong and vibrant local press. I know from my own local titles just how important they are to people. They read the Leek Post and Times, the Biddulph Chronicle and The Sentinel, and they want to have such a strong local press.

12. [906197]. Graham Jones (Hyndburn) (Lab): There has been some suggestion in the national press that this has been kicked into the long grass by Ministers. What assurances can the Secretary of State give the victims that it is not being kicked into the long grass, that Leveson part 2 will be implemented, and that we will see an end point to this?

Karen Bradley: The hon. Gentleman will know that some cases are pending, and until they have been completed there can be no progress on Leveson 2. I assure him that this is not being kicked into the long grass. We are looking very carefully at all the arguments from all sides to make sure we have a free press that protects the citizen.

Chris Bryant (Rhondda) (Lab): I warmly welcome the whole of the new ministerial team. I am particularly delighted at the survival of the Sports Minister, whom I daily want to hug—[Interruption. ]—still want to hug. However, as one of those whose phone was hacked back in 2003, I would just say to the Secretary of State that the victims of phone hacking—many of them were not politicians, but were other victims of crime, including members of the armed forces—are desperate for the Government to stand by the promises they made to them. First, they promised there would be Leveson 2. Can she say today that there will be? There is no reason why she should not do so, because every previous Secretary of State has done so. Secondly, why on earth have they not implemented section 40 of the Crime and Courts Act 2013? It was a cross-party agreement. We would love her to death—I would hug her, too—if only she implemented it.

Karen Bradley: Oh my goodness—the promise of a hug from the hon. Gentleman is difficult to resist. He will know from my previous time in government that I always listen to victims of crime, make sure that their voices are heard and take note of everything they say, and I would very much welcome the chance to sit down with him and discuss his point of view. I want to make sure that we do this based on the evidence, and that we do it properly.

Historic Buildings

5. Pauline Latham (Mid Derbyshire) (Con): What funding her Department is making available to protect important historic buildings.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): I am disappointed that there was no hug offer straightaway. Historic buildings provide an important tangible connection to our past and bring alive our heritage in real and exciting ways. Grant support is provided by the Department for Culture, Media and Sport for historic buildings through Historic England, the church and cathedrals repair fund and the architectural heritage fund, among others. In addition, funding is available from the Heritage Lottery Fund.

Pauline Latham: If the Minister would like a hug, I am very willing to give her a hug. I also welcome the Front-Bench team to their places. Kedleston hall is a grade I listed building, and Kedleston Voice, an action group in my constituency, has campaigned against the granting of planning permission on land that used to belong to the estate, only for the planning inspector to overturn the council’s decision. The group believes that this is damaging to the environment of the hall. Will the Minister put measures in place so that no other grade I listed building is affected by housing too close to an historic setting?

Tracey Crouch: I have been made aware of that particular case in my hon. Friend’s constituency. Across the House I think we all face similar frustrating outcomes in planning matters in our own constituencies when the
local authority has made one decision and the planning inspector another. Ultimately, it is an issue for her to take up with colleagues at the Department for Communities and Local Government. However, there is protection of the historic environment through statutory designation and planning policy. When determining planning cases, local planning authorities must have regard to the national planning policy framework, including its policies on conservation enhancement of the historic environment. We shall continue to stress the importance of that aspect of consideration.

We work closely across all Departments on heritage matters. I am very proud to be heritage Minister, because it is an incredibly exciting part of what we can deliver in this country. I have regular conversations with the Heritage Lottery Fund. There has been an incredible distribution of its funds across the entire country, but there is of course always room for improvement. If the hon. Gentleman wishes to discuss that further with me, I am very happy to do so.

Mr Stewart Jackson (Peterborough) (Con): Must farm near Whittlesea and Flag Fen bronze age centre near Peterborough are among the finest bronze age settlements in western Europe. Peterborough City Council is the lead agency for developing a Heritage Lottery Fund bid for £3 million to develop a bespoke bronze age heritage centre. May I warmly invite my hon. Friend to visit the site and, more pertinently, to support that unique project?

Tracey Crouch: We work closely across all Departments on heritage matters. I am very proud to be heritage Minister, because it is an incredibly exciting part of what we can deliver in this country. I have regular conversations with the Heritage Lottery Fund. There has been an incredible distribution of its funds across the entire country, but there is of course always room for improvement. If the hon. Gentleman wishes to discuss that further with me, I am very happy to do so.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Even those of us who are very interested in protecting our listed buildings and heritage get really rather angry when the heritage sector seems to stop all development, including development that could actually improve heritage sites. Will the Minister look into that, and also look at the spread of money being given by the Heritage Lottery Fund to see whether parts of the country are getting less than their fair share?

Tracey Crouch: I am grateful to my hon. Friend for that question, as it enables me to thank the Lord Commissioner of Her Majesty’s Treasury, my right hon. Friend the Member for Bexleyheath and Crayford (David Evennett), for his excellent maternity cover in my absence. He visited the site that my hon. Friend the Member for Peterborough (Mr Jackson) alluded to. There was an excellent Westminster Hall debate on this matter. I will of course be pleased to visit if my diary allows.

Topical Questions

T1. [906144] Barbara Keeley (Worsley and Eccles South) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Karen Bradley): I welcome the Secretary of State to her new role. I wrote to her in July, as co-chair of the all-party group on women’s sport and fitness, to tell her of our concerns about the impact we felt the loss of listed events could have on women’s sport. There is a threat to listed events, because the threshold of qualifying criteria of 95% reception for public service broadcasters is at threat due to the level of streaming used to watch programmes. Can she let me have a response to my letter? If we do not have reassurance, this matter should be dealt with in the Digital Economy Bill.

Barbara Keeley: I welcome the Secretary of State to her new role. I wrote to her in July, as co-chair of the all-party group on women’s sport and fitness, to tell her of our concerns about the impact we felt the loss of listed events could have on women’s sport. There is a threat to listed events, because the threshold of qualifying criteria of 95% reception for public service broadcasters is at threat due to the level of streaming used to watch programmes. Can she let me have a response to my letter? If we do not have reassurance, this matter should be dealt with in the Digital Economy Bill.

Karen Bradley: I am aware of the issue; it has been raised by a number of Members. We need to ensure that we have sport on free-to-air, so that we increase participation and make sure people enjoy sport. The Minister for Digital and Culture will be happy to meet the hon. Lady to discuss this matter further.

Karen Bradley: The Peak district is most definitely a very important part of both the Macclesfield and Staffordshire Moorlands constituencies. I know my hon. Friend is a great hill walker and often walks in The Roaches. I enjoy walking in his constituency, too. I absolutely agree that we should be promoting the Peak district and all national parks as great places for outdoor activities. The Sport England inspired facilities fund has invested nearly £170,000 in mountain biking, gliding and sailing at venues and clubs across the Peak district. I am sure the whole House will join me in welcoming that.
Kelvin Hopkins (Luton North) (Lab): In the Secretary of State’s keynote speech in Liverpool on 9 August, she set out plans for social impact bonds to address deep-rooted social problems, notably drug and alcohol dependency. She failed, however, to make any reference to the nightmare of gambling addiction, in which fixed odds betting terminals play such a major role. Why have the Government refused consistently to address this scourge in our communities, which damages so many lives and families despite being raised so often by hon. Members in this Chamber.

Karen Bradley: I am very glad that you marked the death of Thomas Kettle MP, Mr Speaker. I am well aware of the problems and we will speak to the hon. Gentleman further about this in due course.

T3.  [906146] Nic Dakin (Scunthorpe) (Lab): Lindsey Lodge hospice in my constituency does wonderful work locally. It was an early signatory to the Fundraising Standards Board, but is concerned about the arrangements for the Fundraising Regulator. What is the Minister doing to make sure that the Fundraising Regulator does not increase pressures and costs on charities such as Lindsey Lodge?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): I thank the hon. Gentleman for his question. At one point I thought I was going to be like the loser’s ribbons at the FA cup final—taken to the game but not used. [HON. MEMBERS: “Aah.”] The sympathy vote.

I understand the hon. Gentleman’s concerns and I will take a look at that particular instance. The proposals come from the sector itself and are necessary to ensure that elderly and vulnerable people are protected from poor fundraising practices, including high-pressure tactics. Committing to a proper fundraising practice should not be viewed as a regulatory burden, but as a means of restoring and increasing public trust in charities.

T5.  [906148] Neil Carmichael (Stroud) (Con): With the continuing success of Formula 1—and, incidentally, the success of teams based here—does the Minister agree that we should be encouraging more young people to go into engineering and engage in motor sport?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): I was weaned on motorsport. I am a fan of that and I agree that we should be encouraging more young people into careers in motor sport. We are introducing the universal service obligation to ensure that everyone has an opportunity to acquire broadband. We are doing all that we can to encourage more people into engineering and motor sport.

T7.  [906150] Danny Kinahan (South Antrim) (UUP): I am very glad that you marked the death of Thomas Kettle MP, Mr Speaker. Will the Minister join me in wishing the Northern Irish and Irish Paralympians—along with everyone else from Great Britain—the very best, following the thrills that we experienced during the Olympics? Will she also note the extra bit of funding that they need to cross over to this side of the water, where the excellent facilities exist?

Tracey Crouch: I am pleased to join the hon. Gentleman in wishing our Paralympics GB team all the very best. I look forward to heading out to Rio myself next week to watch our team, as I did during the Olympics. We have increased funding for Tokyo 2020, working with UK Sport to ensure that all our Olympians and Paralympians are well funded in the future.

Mr Rob Wilson: Yes. I can assure my right hon. Friend that the Government are committed to ensuring that there is a place on the NCS for every young person who wants one. This summer, more young people than ever before have taken part in its life-changing programme. We will publish national data soon, but I am pleased to report real progress in my right hon. Friend’s own area: more than 1,500 young people in Hampshire are participating.

T8.  [906151] Paul Blomfield (Sheffield Central) (Lab): Figures published yesterday by the National Police Chiefs Council show a lasting rise in hate crime. Sections of the press share a responsibility for creating the climate in which that is happening, and all of them have an opportunity to change it. Will the Secretary of State meet newspaper editors to discuss their contribution to building social cohesion?

Karen Bradley: The last time I stood at the Dispatch Box, we were discussing this very issue of hate crime. Let me now reiterate that there is no place for hatred in our society. There is no excuse for it, and anyone who is a victim must report that crime. I am, of course, meeting editors and others to discuss many points, and I assure the hon. Gentleman that I will raise this one.

T9.  [906152] Scott Mann (North Cornwall) (Con): Does my right hon. Friend agree that superfast broadband should be a statutory function in all new build properties?

The Minister for Digital and Culture (Matt Hancock): We are introducing the universal service obligation to ensure that everyone has an opportunity to benefit from high-quality superfast broadband when that is possible, and fast broadband when necessary. Broadband is no longer merely a “nice to have” it is vital to participation in modern society, and we want to ensure that everyone has an opportunity to acquire it.

Stephen Timms (East Ham) (Lab): As many Conservative Members accept, it was a terrible mistake to hand over all the superfast broadband funding to one company, and communities throughout the country are suffering as a result. Will the Minister make a fresh start, and recognise the key role of competition in driving the adoption of superfast broadband?
Matt Hancock: I strongly agree with the right hon. Gentleman that competition is incredibly important to the delivery of superfast broadband, especially in fibre. I am glad to say that in the second round of Broadband Delivery UK there is competition, rather than just one company dealing with the delivery. I can also report that more than 91% of properties in the United Kingdom now have access to superfast broadband, and we will not rest until the figure becomes universal.

Mr Speaker: The earnestness of the Minister cannot be surpassed.

T10. [906153] Tom Pursglove (Corby) (Con): I recently had an opportunity to visit the Corby Smash Table Tennis Centre and see those excellent new facilities, and also to meet the staff and volunteers who work there. What steps are the Government taking to promote the sport, and does the Minister fancy coming along for a game when she is next in the area?

Tracey Crouch: I am glad to learn that my hon. Friend has been inspired by Paul Drinkhall, the first GB player in 24 years to reach the last 16 in the Olympics. I would love to come and visit, but I should warn my hon. Friend that I am not sure whether my officials would allow me to do so. The last time I visited a table tennis event, I got a bit over-competitive with the officials.

Clive Efford (Eltham) (Lab): May I take this opportunity to welcome the two new Front-Bench teams? I do not know whether my hon. Friends on the Opposition Front Bench are as surprised to see them there as I am. None the less, will the Secretary of State join me in congratulating UK Sport on its successful Olympics? Team GB won more gold medals in more sports than any other country and came second in the table, but there is still an issue with team sports. There is more work to be done in sports such as basketball, possibly handball and others. Will she therefore join me in congratulating UK Sport but also urge it to do more work on team sports?

Karen Bradley: I of course congratulate UK Sport. Like the sports Minister, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), I was in Rio and I will be visiting it again for the Paralympics. I am incredibly proud of all the achievements in all our sports, but I have to take the hon. Gentleman up on his comment about team sports. I was at the women’s hockey semi-final. There is no doubt that the women’s hockey team is one of the greatest teams we have and we should all congratulate them on their gold medal success.

INTERNATIONAL TRADE

The Secretary of State for International Trade and President of the Board of Trade was asked—

Trade Negotiators: Recruitment

1. Thangam Debbonaire (Bristol West) (Lab): What progress the Government have made on recruiting adequately skilled trade negotiators.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): May I first say what a pleasure it is to see the hon. Lady in her place looking so healthy and radiant? It is especially a pleasure for her neighbouring MPs to see her.

My Department already has a strong and capable trade policy team, which has doubled since 23 June. In the next two years, we will be developing that team to build the world-class negotiating strengths needed to deliver the best outcomes for the UK. In terms of negotiators, we have already had strong expressions of interest from individuals, organisations and Governments.

Thangam Debbonaire: I thank the Secretary of State for that answer, but will he reassure my constituents that the trade negotiators will speak to strategically important sectors such as aerospace, which employs and trains hundreds of people in Bristol, before they begin detailed negotiations, so that we may guard against horse trading between sectors, which could damage our crucial role in aerospace and other such significant sectors?

Dr Fox: The hon. Lady is absolutely correct. It is a question not simply of having a single team, but of having the expertise to deal with specific sectors as well as in-country knowledge. We will certainly ensure that we build a core ability among those negotiators and bring in the sector experts who are so important in getting the sort of deals that she correctly outlines. That is especially important in areas such as the west country.

Mr Steve Baker (Wycombe) (Con): A team of skilled, experienced, first-class international trade negotiators has been assembled at the Legatum Institute’s special trade commission. Will my right hon. Friend consult the commission and listen to its proposals for a much larger prosperity zone than the European Union?

Dr Fox: As I said, the expressions of interest have been wide: they have been from individuals, organisations and Governments. All those who are willing to put their talents at our disposal are extremely welcome. We will be looking at those individuals and the strengths they have in terms of sectoral and in-country knowledge, and we want to draw from the best that is on offer.

Tom Brake (Carshalton and Wallington) (LD): Can the Secretary of State confirm whether he is likely to hire any consultants to manage these trade negotiations? According to a headhunter I was speaking to a couple of weeks ago—[Laughter]—Not for my purposes. According to a headhunter I was talking to a couple of weeks ago, the head of a trade negotiating team, if hired as a consultant, would cost around £750,000 a year.

Dr Fox: It is nice to see that the Lib Dems are looking forward to repeating their election success at the next election. I always think it is nice for politicians to cover all their options. We do not intend to create a standing army of bureaucrats that would be expensive to the taxpayer. We are looking to see how most effectively we can create the skills and the cadre of negotiators we will require.

Mr Ranil Jayawardena (North East Hampshire) (Con): I welcome the President of the Board of Trade and his Ministers to their place. May I follow up on the previous
question by saying that those in the private sector surely have a lot of experience and insight to offer in particular markets? Will he assure the House that the private sector will be consulted and its skills harnessed and welcomed by the Government?

Dr Fox: That is correct, but I would say to counterbalance that that we also have a great deal of expertise inside Whitehall Departments, and it seems to me it would not necessarily be a good use of taxpayers’ money to contract out all these functions when we have the ability to get that knowledge into the negotiations from inside the Departments we already have. I think that a judicious mix between the two would be the appropriate way forward.

Barry Gardiner (Brent North) (Lab): I welcome the Secretary of State and his team to this exciting new Department and look forward to working with them to promote British trade across the world. I also welcome his progress in recruiting international trade negotiators, although it seems that they may have to wait some time before they can do any actual negotiating. Does he accept that under the current EU treaty the UK does not possess competence—the right to negotiate separate trade deals—and will he confirm that the UK will assume competence not when article 50 is triggered, but only when the UK actually leaves the EU?

Dr Fox: May I reciprocate by welcoming the hon. Gentleman to another one of his many roles in the House of Commons? Let me be very clear that while we are not able to negotiate in terms of concluding a deal while we are members of the EU, there is nothing to stop us having discussions and scoping out future agreements, and I can announce to the House that as of last week we have now concluded a deal to set up a trade working group with India to look at how we will remove barriers to trade before negotiating a free trade agreement on our exit from the EU.

Trade Barriers: Potential Cost

2. Gavin Newlands (Paisley and Renfrewshire North) (SNP): If he will estimate the potential cost to the economy of trade barriers between the UK and EU countries after the UK has left the EU.

The Minister for Trade and Investment (Greg Hands): We are going to make a success of Brexit. As the Prime Minister made clear ahead of the G20 summit, the UK will continue to be a powerful advocate for free and fair trade.

Gavin Newlands: I thank the Minister for that answer, such as it was. Scotland voted overwhelmingly to remain in the EU and the single European market, the largest trading bloc in the world which benefits consumers and businesses across Renfrewshire and right across Scotland. Will he be advising the Prime Minister to negotiate to remain inside the single market, yes or no?

Greg Hands: First, I remind the hon. Gentleman that more Scottish people voted to remain in the UK than voted to remain in the EU. But on the subject of the single market, our objective will be to gain as much access as we can, consistent with the way people across the whole of the UK voted on 23 June. That is the purpose of our approach.

David T. C. Davies (Monmouth) (Con): Do Ministers agree that Britain voted overwhelmingly for Brexit and we should stop listening to the doom-mongers, recognise the democratic will of 17 million people, and all work together to make this the huge success it is going to be?

Greg Hands: My hon. Friend is right. As the Prime Minister said, Brexit means Brexit, and we need to make the most of the opportunities our departure presents, getting out into the world and doing business right across the globe, banging the drum for Britain and doing trade.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I, too, welcome the Secretary of State and his Front-Bench team to their places.

We know that the Secretary of State would like the UK to be outside the customs union and his colleague the Secretary of State for Exiting the European Union believes that at the end of this process the UK will be outside the single market. We also know that the Prime Minister disagrees with both of them. May I ask the Minister to ask the Secretary of State for International Trade if he stands by his statement in July when he said:

“If the price of the relationship with the single market is freedom of movement of people, it’s a price I’m not willing to pay”?

Does he still want to leave the European single market, yes or no?

Greg Hands: I refer the hon. Lady to the answer that I gave to her colleague, the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), just a few seconds ago. I want to make it quite clear that there will be no running commentary on the negotiations at this stage. She will know how important that is, following last year’s negotiations between the UK Government and the Scottish Government on the fiscal framework, at which time the Scottish Government understood perfectly the importance of not providing a running commentary.

Ben Howlett (Bath) (Con): I agree with my right hon. Friend that we should not be showing our hand when we go into such massive negotiations as these, but will he expand on the parliamentary process behind any new trade deals with the EU and any other trading bloc?

Greg Hands: My hon. Friend raises an important point. Of course we would want to keep Parliament involved and consulted in relation to new trade deals, but precisely what format that will take is a matter for us and for the House authorities.

Mr Ben Bradshaw (Exeter) (Lab): “No running commentary” is politician-speak for not having a clue. How is the Minister getting on with delivering on the promise made by the Secretary of State for Exiting the European Union that the Government would “trigger a large round of global trade deals with all our most favoured trade partners” by tomorrow?
Greg Hands: It is a bit rich for Opposition Members to talk about having a clue. I noted with interest the Leader of the Opposition yesterday attacking something he called “free trade dogma”. Let us be absolutely clear: the Prime Minister has said that under her leadership, Britain will seek to become the global leader in free trade, and that is what we will do.

South-east Asia

3. Michael Tomlinson (Mid Dorset and North Poole) (Con): What recent discussions has he had to promote trade with south-east Asian countries.

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): Our posts across the region are in frequent, regular contact with their host Governments. In my second week in the Department, I visited Burma and Thailand to promote trade and investment. Since the referendum, major Association of Southeast Asian Nations—ASEAN—economies have expressed an interest in discussing future trade relations with the UK. We have been clear that the UK will remain open for business and investment, and we are committed to strengthening our already excellent economic ties with the region.

Michael Tomlinson: I am grateful to the Minister for his answer, and I warmly welcome him to his place. As the vice-chairman of the all-party parliamentary group on Singapore, I also welcome the indication that Singapore is open to removing the barriers to trade between our countries. What discussions will he have to promote investment opportunities for UK businesses in Singapore and across south-east Asia?

Mark Garnier: I congratulate my hon. Friend on his important work for the all-party group on Singapore. The opportunities in ASEAN and Singapore are absolutely enormous. In the next 15 years, the members of ASEAN will make up the fourth biggest economy on the planet. We are in constant discussions, we have trade envoys going out to the region and we are very keen to open negotiations to promote trade between our countries.

Kerry McCarthy (Bristol East) (Lab): It is almost exactly three years since the Government launched their action plan for business and human rights. When the Minister goes to countries such as Burma and Thailand, are human rights on the agenda during those trade talks as well as business?

Mark Garnier: The Government are never neglectful of their duty to ensure human rights around the world. There are two clear elements involved. The Foreign and Commonwealth Office is key on human rights and we will support it where we can by raising the issue when we are talking about trade.

Trading Opportunities

4. Dr Julian Lewis (New Forest East) (Con): What new trade opportunities has he identified as a consequence of the UK voting to leave the EU.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): We will continue to be a powerful advocate for free trade by playing to Britain’s strengths as a trading nation and forging our own new trade deals around the world. Fifty-six per cent. of our export value and two thirds of inward investment projects are with non-EU countries. My Department has the experience and expertise in trading outside the EU to grow our significance as a global trading nation even further.

Dr Lewis: In order to maximise the benefits of leaving the EU, the Prime Minister has appointed three excellent Cabinet Ministers to run the Department for International Trade, the Foreign Office and the Department for Exiting the European Union. Can the Secretary of State assure us that the machinery exists to enable them to follow the example of their illustrious predecessors by adopting the mantra “All for one and one for all”?

Dr Fox: That is a difficult one! I am grateful to my right hon. Friend for his question. I am reticent about indulging in personality politics but I am glad to see that he was as able to read the August press as I was. When it comes to our commitment to delivering on Brexit, he can be in no doubt that we will be working together as a tight team to ensure that that happens as soon as we can achieve it on behalf of our country, having made all the necessary preparations.

Mr Speaker: I am sure we all remember Tony Benn’s adage that it is not about personalities but about the issues.

12. [906165] Mr Jim Cunningham (Coventry South) (Lab): Can manufacturing companies in my constituency, such as Jaguar Land Rover, have some clarity on whether the Secretary of State expects the UK to revert to the World Trade Organisation default tariffs after leaving the European Union? We need some answers.

Dr Fox: My team will be placing a great deal of emphasis on looking at our relationship with the WTO and where we exist on the current EU schedules.

Mr Mark Prisk (Hertford and Stortford) (Con): On 24 November, I am hosting an exporters summit for businesses in the M11 area. I thank officials in the Department for their fantastic support. Given the importance of winning new trade opportunities, does the Secretary of State agree that all Members have the chance to play their part in ensuring that more British firms export to not only Europe, but the whole world?

Dr Fox: I congratulate my hon. Friend on his personal commitment to trade and the practical way in which he is demonstrating it. He makes a useful point. All of us should encourage businesses in our constituencies to export. In a nation that built itself upon free trade, it is disappointing that only 11% of businesses export. I hope that my Department will help all Members improve that position and create the expertise required to get all parts of the United Kingdom exporting to all parts of the globe.

Mr John Spellar (Warley) (Lab): Will the Secretary of State explain to our European partners the huge benefit to their industries of car and truck sales to the UK and ensure that there are no obstacles to our own vehicle makers selling to the EU? While he is at it, will he
Dr Fox: On the latter point, the GREAT campaign has been moved to the Department for International Trade and I am keen for it to encourage people in this country to buy British where possible. He makes an important point about the wider negotiations in that the European Union has a huge trade surplus with the United Kingdom. It is more in their interest than ours—if that is possible—to maintain an open, free-trading environment.

Adam Afriyie (Windsor) (Con): Currently, 21 trade envoys deal with about 50 markets around the world, yet with the huge opportunities available post-Brexit, does my right hon. Friend agree that it may be wise to look at boosting both the number of trade envoys and the resources available to our people on the ground overseas?

Dr Fox: The programme of prime ministerial trade envoys set up by the previous Prime Minister has been extremely successful and has delivered notable results given the resources initially allocated to it. The Department and No. 10 are looking at how we can improve on the success of that programme, which will depend upon the distribution of DIT’s staff overseas. I hope to make an announcement about that programme in the near future.

USA: Trade Discussions

5. Luke Hall (Thornbury and Yate) (Con): What recent discussions he has had to promote trade with the USA.

Dr Fox: The US is the south-west’s third-largest export market with £1.59 billion-worth of goods exported in the year to March 2016, including everything from aerospace, as mentioned by the hon. Member for Bristol West (Thangam Debbonaire), to cider and cheese. We want to expand those opportunities. I have already announced that we will open three new trade offices in the US in Minneapolis, Raleigh-Durham and San Diego. We need to look at where there are markets and not simply operate on a geographical basis.

Luke Hall: I welcome the Secretary of State to his place and thank him for that answer. What particular opportunities does he think will open up for people in the west country?

Dr Fox: The US is the south-west’s third-largest export market with £1.59 billion-worth of goods exported in the year to March 2016, including everything from aerospace, as mentioned by the hon. Member for Bristol West (Thangam Debbonaire), to cider and cheese. We want to expand those opportunities. I have already announced that we will open three new trade offices in the US in Minneapolis, Raleigh-Durham and San Diego. We need to look at where there are markets and not simply operate on a geographical basis.

Barry Gardiner (Brent North) (Lab): The Secretary of State will acknowledge that the most important ongoing discussions with the USA are on the Transatlantic Trade and Investment Partnership. Does he therefore find it strange that although the UK has voted to leave the European Union in order to reclaim parliamentary sovereignty in this country, the Government, unlike their EU counterparts, have still not made available any provision for Members of Parliament to scrutinise the secret text of the TTIP agreement, despite having promised to establish a reading room securely for this purpose in February?

Dr Fox: While we remain in the EU, we will continue to push all free trade agreements possible, because we believe in global trade liberalisation; that includes the Government’s position of support for TTIP. It remains the United States’ clear priority to get this agreement, but I think the hon. Gentleman will accept that given the comments that have come from both France and Germany in recent weeks, and the fact that we have elections next year in both countries, the future of TTIP, at least in the immediate future, looks less than utterly secure.

10. [906163] Mr David Nuttall (Bury North) (Con): Given that the Commonwealth has a larger population and is enjoying faster economic growth than the EU, as indeed is the US, does my right hon. Friend agree that it provides a much better prospect for trading opportunities than the EU?

Dr Fox: There are indeed enormous opportunities with Commonwealth countries, and we will be wanting to explore with a number of those exactly how we might take forward trade working groups along the lines that we have already announced with Australia and with India. However, I point out that although we have political links with Commonwealth countries, they are not, in terms of economics and trading, homogenous. Therefore, there will be a great difference between the biggest markets and some of the smaller markets, although we will want to take a look at those that may be developing markets in the future.

Commonwealth: Trade Discussions

6. Wendy Morton (Aldridge-Brownhills) (Con): What recent discussions he has had to promote trade with other Commonwealth countries.

Dr Fox: The programme of prime ministerial trade envoys set up by the previous Prime Minister has been extremely successful and has delivered notable results given the resources initially allocated to it. The Department and No. 10 are looking at how we can improve on the success of that programme, which will depend upon the distribution of DIT’s staff overseas. I hope to make an announcement about that programme in the near future.

Luke Hall: I welcome the Secretary of State to his place and thank him for that answer. What particular opportunities does he think will open up for people in the west country?

Dr Fox: The US is the south-west’s third-largest export market with £1.59 billion-worth of goods exported in the year to March 2016, including everything from aerospace, as mentioned by the hon. Member for Bristol West (Thangam Debbonaire), to cider and cheese. We want to expand those opportunities. I have already announced that we will open three new trade offices in the US in Minneapolis, Raleigh-Durham and San Diego. We need to look at where there are markets and not simply operate on a geographical basis.

Barry Gardiner (Brent North) (Lab): The Secretary of State will acknowledge that the most important ongoing discussions with the USA are on the Transatlantic Trade and Investment Partnership. Does he therefore find it strange that although the UK has voted to leave the European Union in order to reclaim parliamentary sovereignty in this country, the Government, unlike their EU counterparts, have still not made available any provision for Members of Parliament to scrutinise the secret text of the TTIP agreement, despite having promised to establish a reading room securely for this purpose in February?

Dr Fox: While we remain in the EU, we will continue to push all free trade agreements possible, because we believe in global trade liberalisation; that includes the Government’s position of support for TTIP. It remains the United States’ clear priority to get this agreement, but I think the hon. Gentleman will accept that given the comments that have come from both France and Germany in recent weeks, and the fact that we have elections next year in both countries, the future of TTIP, at least in the immediate future, looks less than utterly secure.

10. [906163] Mr David Nuttall (Bury North) (Con): Given that the Commonwealth has a larger population and is enjoying faster economic growth than the EU, as indeed is the US, does my right hon. Friend agree that it provides a much better prospect for trading opportunities than the EU?

Dr Fox: There are indeed enormous opportunities with Commonwealth countries, and we will be wanting to explore with a number of those exactly how we might take forward trade working groups along the lines that we have already announced with Australia and with India. However, I point out that although we have political links with Commonwealth countries, they are not, in terms of economics and trading, homogenous. Therefore, there will be a great difference between the biggest markets and some of the smaller markets, although we will want to take a look at those that may be developing markets in the future.

Commonwealth: Trade Discussions

6. Wendy Morton (Aldridge-Brownhills) (Con): What recent discussions he has had to promote trade with other Commonwealth countries.

Dr Fox: The programme of prime ministerial trade envoys set up by the previous Prime Minister has been extremely successful and has delivered notable results given the resources initially allocated to it. The Department and No. 10 are looking at how we can improve on the success of that programme, which will depend upon the distribution of DIT’s staff overseas. I hope to make an announcement about that programme in the near future.

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excellent trade relationships with our 52 Commonwealth partners and we are committed to strengthening those further. One example of this is that the UK is co-hosting with Malta the inaugural Commonwealth Trade Ministers meeting in London in March 2017, which will be an excellent opportunity to promote greater trade and investment within the Commonwealth.

**Ian C. Lucas** (Wrexham) (Lab): The Indian company Wockhardt exports from Wrexham pharmaceuticals to the rest of the world, including to the European Union. What comfort can the Minister give that the important regulation that exists in the single market will continue for that company in the post-Brexit world?

**Mark Garnier**: As my right hon. Friend the Secretary of State said a little earlier, we are reluctant to give a running commentary on how negotiations and where ideas are going to go, but I assure the hon. Gentleman that we are incredibly keen to recognise the important contribution to the British economy that international companies are making when they invest in the UK, such as the company he mentions investing from India.

**Several hon. Members rose—**

**Mr Speaker**: Order. Lastly in this category, I call Mr Roger Mullin.

### Scotland: Trade and Investment

7. **Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): What steps he is taking to support international trade and investment in Scotland.  

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox)**: The Department for International Trade is a Department for the whole UK. I visited Scotland last month, met the Cabinet Secretary for the Economy, Jobs and Fair Work, and offered my support to Scottish businesses. The Export Hub is currently touring Scotland, with trade experts providing advice to 252 first-time exporters, from just two Scottish tours. Its focus is on demonstrating real live business opportunities that businesses in any part of the UK can apply for.

**Roger Mullin**: I thank the Minister for that response. The attraction of worldwide entrepreneurs to work in Scotland is a particular form of investment that needs encouraging. Will he speak to his colleagues and encourage a complete review of tier 1 entrepreneur visas, as current barriers have led to rejection rates of about 70%, thereby harming investment and growth?

**Dr Fox**: The visa regime is constantly being reviewed by my colleagues at the Home Office, and I take note of the hon. Gentleman’s comments. In terms of having an open economy, we must welcome the concept of free trade, and ensure that we have a low-tax, low-regulation economy and access to skilled labour. The United Kingdom as a whole has a number of advantages, not least that we speak English and that we are at the centre of the world trading time zones.

**Mr Peter Bone** (Wellingborough) (Con): When he was the keynote speaker in Scotland of the Go movement, the Secretary of State will remember how much and how many people there welcomed the fact that we had the opportunity to exit the EU and increase trade opportunities. Will he lay to rest the lie that everyone in Scotland is against leaving the EU?

**Dr Fox**: Two things are clear: the people of Scotland voted to remain part of the United Kingdom; and the people of the United Kingdom, with an equal vote in every part of this country, voted to leave the European Union. We are taking the decision as a United Kingdom, not as separate parts of it.

### Topical Questions

T1. **Mr Alan Mak** (Havant) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox)**: This is the first time that I have had an opportunity to set out the new Department’s responsibilities. We have three tasks: promoting UK exports of goods and services to support a growing economy that serves the whole of the United Kingdom; maximising opportunities for wealth creation through supporting foreign direct investment with a renewed focus on overseas direct investment to support the current account; and delivering the best international trading framework for the UK outside the European Union, including through building our capacity to negotiate and administer a national trade policy. Like the UK as a whole, the Department for International Trade is open for business, and I am pleased to say today that we will now demonstrate that by launching an open international recruitment for a new permanent secretary, which gives me an opportunity to thank very much Sir Martin Donnelly for his fantastic work in helping build the new Department.

**Mr Mak**: I congratulate the Secretary of State and his ministerial team on their appointments. Later today, the fourth industrial revolution will be debated in the Chamber for the very first time. Will my right hon. Friend commit to helping small and medium-sized enterprises involved in new and emerging technologies to export and to secure more overseas clients?

**Dr Fox**: May I first congratulate my hon. Friend on securing a debate later this afternoon? The Department for International Trade supports cutting-edge British technology companies to take advantage of overseas opportunities. Working closely with industry partners such as Tech City UK, techUK and our network of international trade advisers, we assist SMEs to scale up, reach their export potential and win overseas business. Companies have the opportunity to take part in focused trade missions, key tech industry events and meet potential buyers, and we will be setting out new ways in which we intend to maximise that in the coming months.

**Barry Gardiner** (Brent North) (Lab): The Secretary of State will be aware that, in the automotive business, the original equipment manufacturer focuses on the stability of its supply chain, which is typically sourced from many different countries. Has he identified those supply chains in the automotive sector in which the
involvement of UK companies would violate country of origin rules once the UK has left the EU, and what advice has his Department given to those companies?

**Dr Fox:** The country of origin complications is of course tied up with the point that was made earlier about the World Trade Organisation and the EU schedules. The WTO is still working on EU 15 schedules having not yet ratified EU 28, so the way in which it operates still has some way to go. The hon. Gentleman is quite right in looking at country of origin; it is one of the issues that the Government will look at as a whole when considering the options for our future relationship with European Union and outside.

**T2. [906176]** **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): Despite the difficult political situation with Russia, there are still many British companies exporting to Russia and investing in that country in sectors not affected by sanctions. Bearing that in mind and also the need to prepare for a post-sanctions relationship with Russia, will my right hon. Friend ensure that an appropriate trade envoy is appointed for this very important country?

**Dr Fox:** I am grateful for all job applications—formal and otherwise. Whether we have a post-sanctions relationship with Russia will depend on Russia's international behaviour, and we can only look forward to that business opportunity when we get the appropriate international behaviour by the Putin regime. When that occasion arises, if it does, I am sure that my hon. Friend has now made his well-known interest in that area a formal job application.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): The latest quarterly review published by Scottish Engineering shows a slump in orders, a sharp fall in output volume and a drop in employment levels, with companies blaming the uncertainty caused by the decision to leave the EU. Can the Secretary of State tell us what he expects the effects will be on Scottish business exports if the UK withdraws from the single market?

**Dr Fox:** Industry dislikes uncertainty, as the hon. Lady says, but I would add two uncertainties into the equation. The first is the uncertainty over Scotland's fiscal position. The second is the uncertainty over Scotland's position, which makes me very grateful that the people of Scotland took the sensible decision to remain in the United Kingdom. The second is the uncertainty posed by the Scottish Government and their constant reference to a second independence referendum. I can think of no greater cause of uncertainty for Scottish business investment.

**T3. [906177]** **Mr Peter Lilley** (Hitchin and Harpenden) (Con): Can my right hon. Friend, whom I congratulate on his appointment, confirm that were we to remain in the EU we would stand next to manufacturing goods, but the reality is that 79% of our exports are in services. The UK is the world's second biggest exporter of services, and all the most successful export nations play to their strengths. Will my right hon. Friend assure me that, in setting the strategy for his Department and choosing personnel and trade missions for the future, he will focus on services as much as on goods?

**Mr Speaker:** I will not call people for topical questions if they abuse the system. The hon. Gentleman is a very good parliamentarian, and that question was not just too long but far too long.

**The Minister for Trade and Investment** (Greg Hands): My hon. Friend makes a good point. I met him in July in his capacity as joint chair of the all-party parliamentary group on trade and investment. He is right that services are vital to our economy. They provide 78% of our GDP and 80% of our jobs. It was often a frustration with the EU that it failed to deepen the single market in services. It is important to realise that we are talking not just about financial services but about digital and other services. We will make sure that they are all at the heart of our efforts as we move forward into the free trade world.

**Richard Burden** (Birmingham, Northfield) (Lab): Following the questions asked earlier by my right hon. Friend the Member for Warley (Mr Spellar) and my hon. Friend the shadow Secretary of State more recently, has the Secretary of State met representatives of the
UK automotive industry? If so, what clarifications have they sought and what have been his responses, and if he has not, when will he do so?

Mark Garnier: The UK has a highly successful automotive industry, and Ministers are seeking input from that industry on an ongoing basis in order to make sure that we are very attentive to the needs of that industry. I cannot stress too much the importance we attach to the automotive industry. It is one of our leading and most fabulous industries, as evidenced not least by the fact that nine out of 11 Formula 1 racing teams choose to come and build their cars in this country.

Several hon. Members rose—

Mr Speaker: Order. I know that we have overrun, but I want to accommodate remaining questions if they are extremely brief.

T5. [906179] Andrew Stephenson (Pendle) (Con): Pendle is home to a number of key aerospace businesses, such as Rolls-Royce. What discussions has my hon. Friend had with the aerospace sector to ensure that we continue to support this vital industry?

Mark Garnier: The Government, with industry, are working with the Aerospace Growth Partnership to boost growth and exports. Together we have committed £3.9 billion to aerospace research up until 2026. I will shortly be visiting Rolls-Royce in Derby, and I look forward to holding a separate round-table meeting with aerospace companies later this month in Toulouse.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Secretary of State will know that there is a very healthy all-party manufacturing group. Will he come and speak to us soon, and also look at our Manufacturing Commission and our campaign, Exported by Britain? We would love to talk to him.

Dr Fox: On behalf of the team, I will give full agreement to that. If I am unable to do that because of diary commitments, another member of our ministerial team will certainly do so.

T6. [906180] Mims Davies (Eastleigh) (Con): We heard this morning about a focus on the positive opportunities for free trade with the Commonwealth and Australia. Does the Minister agree that that gives a great opportunity to reassure businesses in our constituencies that this Government can make a great success of the bold choice made by our voters?

Greg Hands: As my right hon. Friend the Secretary of State has made clear, we are encouraged by comments coming from across the Commonwealth, from leaders and Ministers of countries such as Australia. Several additional ministerial visits are planned in Commonwealth and non-Commonwealth markets—for example, Australia, New Zealand and Singapore. I will be in South Korea and Taiwan, and other Ministers in China, Japan and Vietnam in the coming months.

Chris Bryant (Rhondda) (Lab): I warmly endorse what the Secretary of State has just said about Russia. I am glad he is adopting that attitude, but may I urge him to extend the same attitude towards North Carolina? I think it bizarre that he has opened a new office in North Carolina, when Deutsche Bank, PayPal and a string of other businesses and many US states are boycotting North Carolina because of its ludicrous homophobic new policy in relation to transgender people.

Dr Fox: I made the point earlier that what we need to do to provide certainty about jobs and profits in the United Kingdom is to be in the markets where we have the greatest maturity and the greatest potential for value. That means, in the United States, not just looking at the established areas where we have personnel, but looking to where we have growing markets that can prove to be of value to the United Kingdom, its people and its businesses.

Richard Benyon (Newbury) (Con): Given that in two decades’ time, one in four people on this planet will be African, will my right hon. Friend give an assurance that his Department will focus on trade in Africa, because that is a sure way to keep the economies of that continent fully functioning and stable?

Dr Fox: My hon. Friend is right. We will also require to see greater co-operation between Government Departments and a cross-Government approach to Africa. I expect to make an announcement shortly about a joint visit by myself and the Secretary of State for International Development to Africa in the coming months.

Mr Speaker: I am most grateful to the Secretary of State and to colleagues. There is no shortage of demand in this session, and I dare say that that will continue.
New Grammar Schools

10.43 am

Angela Rayner (Ashton-under-Lyne) (Lab): To ask the Secretary of State for Education to make a statement on the Government’s plans to lift the statutory ban on opening new grammar schools in England.

The Secretary of State for Education (Justine Greening): As the Prime Minister has said, this Government are committed to building a country that works for everyone, not just the privileged few. We believe that every person should have the opportunity to fulfil their potential, no matter what their background or where they are from.

Education is at the heart of this ambition. We inherited a system from the Labour Government, however, where far too many children left school without the qualifications or the skills they needed to be successful in life. Our far-reaching reforms over the last six years have changed this, strengthening school leadership, improving standards of behaviour in our classrooms, ensuring children are taught to read more effectively and improving maths teaching in primary schools. As a result there are now 1.4 million more pupils in schools rated as good or outstanding than in 2010. This means more young people are being given the opportunity to access better teaching and to maximise their potential. This is what we want for all children, and we are continuing our reforms so that every child can have the best possible start in life. It is why we are doubling free childcare to 30 hours for working parents of three and four-year-olds. As I said in July, on the issue of academic selection I am open-minded because we cannot rule anything out that could help us grow opportunity for all and give more people the chance to do well in life.

The landscape for schools has changed hugely in the last 10, 20, 30 years. We now have a whole variety of educational offers available. There will be no return to the simplistic binary choice of the past, where schools separate children into winners and losers, successes or failures. This Government want to focus on the future, to build on our success since 2010 and to create a truly 21st-century school system. However, we want a system that can cater for the talent and the abilities of every single child. To achieve that, we need a truly diverse range of schools and specialisms. We need more good schools in more areas of the country responding to the needs of every child, regardless of their background. We are looking at a range of options, and I expect any needs of every child, regardless of their background. We now have a whole variety of educational offers available. There will be no return to the simplistic binary choice of the past, where schools separate children into winners and losers, successes or failures. This Government want to focus on the future, to build on our success since 2010 and to create a truly 21st-century school system. However, we want a system that can cater for the talent and the abilities of every single child. To achieve that, we need a truly diverse range of schools and specialisms. We need more good schools in more areas of the country responding to the needs of every child, regardless of their background. We are looking at a range of options, and I expect any

Angela Rayner: Wow! Despite that waffle, the cat is finally out of the bag. The Government have revealed their plans for new grammar schools in England, but not in this House—we did not even hear the word “grammar” just then. Instead, they did it through leaks to the press and at a private meeting of Conservative Members. So much for the one nation Government. She has given a commentary on what I guess she presumes the policy announcement will be. I would encourage her to wait. Broadly, we are interested in increasing diversity and meeting parents’ desire for choice in having a school near to them that matches the needs of their child. We also want to see capacity built into the system, in two ways. We want more good schools near to children where they need them. There are too many parts of our country where, in spite of all the reforms we have made and the improvements in attainment that we have seen, there are still children who cannot get good enough access to a good school. We also want to build capacity by having some of our best schools work with other schools in the system to help collectively to raise attainment and standards as a whole. We want to see all parts of our education system, not just the school system but universities as well, playing a stronger, better role.

Perhaps the Secretary of State can tell us the evidence base for this policy today. Has she read the Institute for Fiscal Studies report “Entry into Grammar Schools in England”? If so, perhaps she remembers the conclusion: “amongst high achievers, those who are eligible for” free school meals “or who live in poorer neighbourhoods are significantly less likely to go to a grammar school.”

The OECD and the Sutton Trust, and even the Government’s own social mobility tsar and their chief inspector of schools, have all cited the evidence against this policy. In Kent, where we have grammar schools, the attainment gap is far wider than it is elsewhere. So can the Secretary of State tell the House what evidence she has to support her belief that grammar schools will help disadvantaged children and close the attainment gap?

At a time when our schools are facing a crisis in teacher recruitment and retention, with thousands taught in super-size classes and schools facing real-term cuts to their budget for the first time in nearly two decades, pushing ahead with grammar schools shows a dangerous misunderstanding of the real issues facing our schools. What will the Secretary of State be doing to address the real problems facing our schools today?

The Prime Minister has said this policy is justified because we already have social selection. Quite how making things worse by bringing back grammar schools as a solution remains a mystery. Perhaps the Secretary of State can tell us why she is not ensuring that all children get a decent education?

This policy will not help social mobility but will entrench inequality and disadvantage. It will be the lucky few who can afford the tuition who will get ahead and the disadvantaged who will be left behind—a policy for the few at the expense of the many. I was told that the Tories know the cost of everything and the value of nothing. I do not even think they know that anymore.

Finally, the Prime Minister promised to lead a one nation Government. She said that her policy would be led by the evidence, and she claimed that she would govern for the disadvantaged, not the privileged few, yet this policy fails on every single count. It may be a new Prime Minister, but it is the same old nasty Tories.

Justine Greening: The first thing I would say to the hon. Lady is that we have not yet actually made any policy announcements; they will be made in due course. She has given a commentary on what I guess she presents the policy announcement will be. I would encourage her to wait. Broadly, we are interested in increasing diversity and meeting parents’ desire for choice in having a school near to them that matches the needs of their child. We also want to see capacity built into the system, in two ways. We want more good schools near to children where they need them. There are too many parts of our country where, in spite of all the reforms we have made and the improvements in attainment that we have seen, there are still children who cannot get good enough access to a good school. We also want to build capacity by having some of our best schools work with other schools in the system to help collectively to raise attainment and standards as a whole. We want to see all parts of our education system, not just the school system but universities as well, playing a stronger, better role.
The hon. Lady asked about evidence. She quoted a report by the IFS that does mention free school meals. However, I must say that I do not understand her argument. She seems to be criticising the status quo while resolutely defending keeping it in place. It was really interesting listening to her, because, in many respects, the words echoed the voices that I heard in my childhood—people having a dogmatic debate about the education system while I studied in my local comprehensive entirely untouched by that ideological debate. What we want to do, and what we think this Parliament and the country should do, is to be prepared to look at the practical ways that we can improve attainment for our children, and to leave no stone unturned to do that.

Complaining about one aspect of our school system and then saying that we should not even have a debate about that element is, frankly, an untenable argument. It is, in essence, politics and dogma coming before pupils and opportunity. It is about Labour Members prioritising, as we can see today, an ideological debate, while Government Members want a debate about the practical steps we can take to tackle generational failure and schools that still are not delivering for children who live near to them. It would be wrong to discount how we can improve prospects for those children, especially the most disadvantaged, purely because of political dogma. If Labour Members are not willing to ask themselves these difficult questions, how can they possibly come up with any of the solutions?

We do believe that selection can play a role, and we think there is evidence to show that it does for many children in grammar schools—but anyhow, we need to leave no stone unturned. We will set out our policies for consultation in due course, and I am sure that hon. Members will want to debate them thoroughly after that.

Neil Carmichael (Stroud) (Con): The World Economic Forum has recently reminded us that we are well down the tables in terms of literacy and numeracy. It says that some 20% of 16 to 18-year-olds struggle with literacy, and the figure for numeracy is even worse—25%. Does the Secretary of State agree that it is absolutely vital that any discussion about grammar schools does not distract us from our fundamental task of improving social mobility and ensuring that we make the best use of all the talent across the whole country and do not just talk about the few?

Justine Greening: I strongly agree. The Sutton Trust report focused particularly on free-school-meat children and how they performed in, for example, grammar schools. The educational gains from attending grammar schools were twice as high for pupils with free school meals compared with the impact for pupils at grammar schools overall. As my hon. Friend points out, while grammars, in their own way, provide a stretching, outstanding education for many children from all backgrounds that helps them to have better prospects in life, they are one part of a very broad-based school system—a system that has been transformed out of all recognition from when grammars were originally introduced. We now need to look at how we can have a 21st-century education policy that takes a pragmatic look at the role of grammars and, of course, across the whole system. He is absolutely right that we will not lose sight of the broader reforms that we are bringing through that will improve standards across the board.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The Secretary of State represents a London constituency, so she will know that London schools have improved dramatically over the past 15 to 20 years. Does she agree that that has happened because of a focus on high standards for all children in all schools, not by going down the route of selection? May I urge her not to turn the clock back to grammar schools, but to focus on high standards in all schools in all parts of the country, for all children?

Justine Greening: I absolutely reassure the hon. Gentleman that we will not be turning the clock back. I think that the London lessons are about collaboration, school leadership and sharing those best practice experiences across schools. The challenge that I want us to discuss is how we can make sure that all schools play a role in doing that, rather than simply setting grammars to one side and saying that they should not play as great a role across the rest of the school system. I think they should, and we want to have that debate and discussion. Fundamentally—I come back to my opening comments—this is about having more good school places for more children. It is about building capacity through better and more places and by sharing best practice, and about improving school leadership by having schools working closely together.

Helen Whately (Faversham and Mid Kent) (Con): In Queen Elizabeth’s Grammar School in Faversham, I am fortunate to have an excellent grammar school in my constituency. As my right hon. Friend will know, people move to Kent because of its grammar schools. Does she agree that it is not right for an excellent academic education to be available only to those who can move to the catchment areas of outstanding schools?

Justine Greening: We need to improve diversity and choice. As the Prime Minister has said, the reality is that too often in Britain we do have selection, but it is on the basis of house prices, which is totally unacceptable in a modern Britain. We need to challenge ourselves to talk about how we can change that and improve standards for children, wherever they are in our country. Simply saying that something is off the table because of political ideology and dogma does not serve the children whose future prospects we want to improve.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I beg the new Secretary of State to listen to the expertise that is out there? She might know that I chair the advisory council of the Sutton Trust. I ask her to listen to the Sutton Trust, because we believe in evidence-based policy, and to the chief inspector of schools, and to look at those areas that have for years had this kind of education, with the 11-plus, and at what it has done to the entirety. If she looks at Kent in depth, she will learn some lessons that might push her in a different direction.

Justine Greening: It is time that we look at the Kent experience. I know that Kent has done a lot of work to dig into how it can get more children from disadvantaged
backgrounds into its grammar schools. The hon. Gentleman has raised issues of principle, but my attitude and response is, if that is how he feels, why would he want us to discount looking at how we can make grammars work more effectively with the rest of their local communities, and not just for those children who get to them, but for those who do not? It seems to me that the Labour party’s response to all of those challenges is to raise them, but to then simply put them to one side and ignore them. I do not think that that is sensible.

Philip Davies (Shipley) (Con): Bradford is one of the worst-performing education districts in the country. There is a wide provision of some outstanding results and some very dire results. People who can afford to buy a house in a good catchment area tend to get a school that produces outstanding results, whereas those who cannot afford to buy a house in a good catchment area tend to get a school with the worst results. When can people in Bradford, including working-class people, get access to the very best grammar schools that we need? They surely should not just be a preserve of the Tory shires.

Justine Greening: I think that my hon. Friend speaks for many constituency MPs around the country. The point is that people should have choice, and it should not be for Government to deprive them of that choice about how they want to educate their children. This is about choice and diversity, as well as about building capacity in the system.

Hilary Benn (Leeds Central) (Lab): The Secretary of State well knows that apart from giving our young people the best possible teaching, the most important thing we can do for them is to encourage them as they make their way through school. Given that we are still, as a nation, dealing with the legacy of a divided education system, why on earth does she think that subjecting more 11-year-old children to the experience of being told by their tearful parents, who have opened the envelope, that they have failed will encourage them and support their self-esteem and continuing career through the education system?

Justine Greening: Dare I say it, that was yet another Labour MP telling us what is wrong with the current system, in his view, while also arguing that we should not look at that. The legacy that we are interested in challenging is the one left by the previous Labour Government: grade inflation; declining standards; and children leaving our education system without even the basics in maths and literacy. While I was sat on a train last weekend, I listened to a young man talking about how the fact that he did not know how to spell was holding him back at work. We managed to take power back; I am sure that my hon. Friend will agree with me about that. We managed to take power back from the Labour party, but that man has to live with the fact that he did not know how to spell every single day of his life.

We inherited a university system that had a cap on the number of children who could enter it. Record numbers of young people were not in employment, education or training. Youth employment had gone up by 50% by the time Labour left office. We are interested in not only catching up that lost ground for our young people, but making sure beyond that that we leave no stone unturned. We want to look across our entire education system to turbocharge the prospects and opportunities for all children in our country, but especially the most disadvantaged and especially those who do not currently have the opportunities that they need, deserve and should have.

Martin Vickers (Cleethorpes) (Con): I welcome the Government’s decision at least to open this debate. A statutory ban on the establishment of grammar schools should be no part of a Conservative Government’s policy. Evidence from my area, where grammar schools are available just down the road in the neighbouring council area, indicates that there is widespread support for the establishment of a grammar school. Coastal communities are particularly vulnerable to poor educational standards, so I hope that the Secretary of State will give due consideration to that if the policy goes forward. May I also urge her to consider the extension of bilateral schools?

Justine Greening: I am sure that my hon. Friend will be interested to see our policies when they are published shortly. He talks about some of the elements of our secondary system. I know that he wants to make sure that his local community has access to better schools for more local children, and that is precisely what we are aiming to achieve overall.

Kate Hoey (Vauxhall) (Lab): The Secretary of State is quite right not to rule out a discussion of grammar schools forming part of the wide range of schools that we have. I declare an interest as the product of a wonderful grammar school. Would she like to visit Northern Ireland, where grammar schools still exist? In Northern Ireland, grammar schools are hugely popular. There is good education right across the spectrum, no matter what a young person’s ability. Results continue to improve and to be better than those in the rest of the United Kingdom, and there is very little private education. Perhaps she might like to go to Northern Ireland and talk to the First Minister.

Justine Greening: I thank the hon. Lady for that invitation; I am sure I will want to take her up on it shortly. I should emphasise to the House that, as my hon. Friend the Member for Cleethorpes (Martin Vickers) said, this is the opening up of a debate. It is important for our children that we have that debate if we are to rise to the challenge of looking at what will improve attainment and ensure that they have good schools where they are growing up.

We will look at all the options very carefully. I recognise that this is an emotive debate, but that is because it matters. That is why we should be prepared to have a debate about this, given how much our broader school system has changed. I will look very carefully at all the arguments that are made and all the evidence that is produced, because that is important, too. I am keen to hear from colleagues on both sides of the House and we will be setting out all our policy options shortly.

Lucy Allan (Telford) (Con): I warmly welcome the Secretary of State’s comments. All children have the right to fulfil their full potential. Will she assure the House that she is considering all methods of selection and that this is not about bringing back the 11-plus?
Justine Greening: We will set out our policies much more broadly, but I assure hon. Members that there will be no return to the past. This is about moving forward with a 21st-century approach to our school system, and precisely not one rooted in the 1960s and 1970s. I just hope that the Labour party is able to engage in a modern debate, rather than one that is 40 to 50 years old.

Ian Mearns (Gateshead) (Lab): In the clamour from some areas about creating new grammar schools, many people forget that the creation of new grammar schools de facto creates secondary modern schools, because the intake is skewed by grammar schools. In his speech to London Councils on Monday, the chief inspector accepted that grammar schools, where they exist, do “a fine job” with the intake they have, but said that they have a very poor track record in admitting youngsters from “non-middle-class backgrounds”. If we are to go down this road, what can the Secretary of State do to confirm that that would not be the case in other parts of the country?

Justine Greening: That again underlines why we are right to open up this agenda for debate. In a way, we will not be able to tackle any of the issues that the hon. Gentleman cares about without a broader look at what a modern policy approach to grammars should look like. We should not simply discount the excellent education that so many children get at grammars, including children from very disadvantaged backgrounds. We should look harder at how we can make sure that grammars play a role more collaboratively in a wider, broader school system, while ensuring that they build capacity and provide more good places as they steadily improve.

Lucy Frazer (South East Cambridgeshire) (Con): Yesterday, during an Education Committee evidence session, we heard about the truism that what affects pupils’ attainment most is good teaching in the classroom. That is evidently true, but does the Secretary of State agree that structures can sometimes support learning? A 2011 PISA—programme for international student assessment—study showed that giving schools autonomy improves outcomes, so further choice for parents, teachers and students may provide further opportunities.

Justine Greening: I think that is right. Critically, we need the right level of autonomy for schools so that they can actually get on with the job of teaching our children. We need fantastic leadership in our schools. We know from the London experience that that was absolutely critical. Heads who showed what could be done in difficult schools then worked with other schools so that they could put in place the same approaches. More broadly, we also need teaching staff who are motivated and able to work effectively in the classroom with children who can be disciplined effectively by a head who genuinely feels they have control over and can exercise leadership in their school. All those things make a difference.

Beyond that, if we are to make an impact on long-term social mobility in Britain—it will not change overnight—we need not just schools and the education family to drive social mobility, but communities, business, our universities and civil society to do so. Everybody needs to play a role, alongside core education reform, to make sure that children in the classroom and outside it can get the skills, knowledge, advice and experience that they will need truly to develop their potential.

Kevin Brennan (Cardiff West) (Lab): When the chief inspector said that the idea that poor children would benefit from an expansion in the number of grammar schools was “tosh and nonsense”, was he being ideological?

Justine Greening: As we open up this debate, people will have different views, but I do not believe that that is a reason not to have the debate. It is too important for that. Improving attainment and having more good school places for more children—building the capacity we need in our system so that we can have great schools on the doorstep for every child in our country—is too important simply to be put in the “too hard” bucket and for us to say that we might have a bit of a debate about it. I think we should have this debate and that we should work out what we must do to do a better job of raising the attainment of the children who currently do not go far enough.

Several hon. Members rose—

Mr Speaker: I call Dr Julian Lewis.

Sir Desmond Swayne (New Forest West) (Con): Oh, not him!

Dr Julian Lewis (New Forest East) (Con): I am not an expert on the theory of secondary education, but having attended a grammar school with a largely working-class contingent in the 1960s, I know something about the practice, from which we all benefited. Will the Secretary of State explain why it is acceptable to nurture and promote sporting excellence but not academic excellence?

Justine Greening: My right hon. Friend raises a good point about the broader issue of selection. All children are different, so playing to their talents and natural interests is important. Parents should have more choice and diversity in the school system so that they are able to find not just a good school, but a good school that will be particularly good for their child.

Mr Pat McFadden (Wolverhampton South East) (Lab): The job of education in the 21st century is to maximise opportunity for the maximum number of children, whatever their background. Ofsted’s chief inspector, Sir Michael Wilshaw, said this week that a return for grammar schools would not do that, but would be a “profoundly retrograde step that would actually lead to overall standards sliding back, not improving”.

He said that in grammar school Bexley, just 9% of disadvantaged children go to its grammar schools, while in non-grammar school Hackney, 62% of children go on to university compared with 48% in the country as a whole. Does the Secretary of State agree that where there is failure and disadvantage, the answer should not be this festival of bring-backery, but instead a focus on expanding opportunity for all schools right across the system?

Justine Greening: Expanding opportunity is at the heart of what we are doing. Rather than jumping the gun, I encourage the right hon. Gentleman to wait to
see the Government’s proposals. Yet again we have heard the Labour party complaining about the current system while seemingly maintaining a position of not wanting to have a debate about how we can make it better overall and then ensure that the entire school system can benefit from that improvement.

Several hon. Members rose—

Mr Speaker: Order. I realise that the right hon. Member for New Forest West (Sir Desmond Swayne) may experience some teething problems as he makes his adjustment to Back-Bench life. We look forward to hearing from him on a regular basis, but unfortunately as he is no longer a Minister he does not have a guaranteed slot. However, an expectant nation will hear him now.

Sir Desmond Swayne: Thank you, Mr Speaker. I am slowly adjusting myself to the metaphysical plane.

I welcome what the Secretary of State has said about diversity and choice, but will she acknowledge that a grammar school might not be suited to every town? I would not relish the prospect of informing parents in Fordingbridge, Ringwood, New Milton or Lymington that their child, not having been able to get into the grammar school, would have to be bussed elsewhere.

Justine Greening: My right hon. Friend raises the important point that local communities need to be intrinsically involved in how their school system develops, and I assure him that we are very seized of that. I should also take this opportunity to put on record how much I enjoyed working with him in our previous roles within the Department for International Development. He did an outstanding job and was a pleasure to have as a ministerial colleague.

Vernon Coaker (Gedling) (Lab): All of us want the best for our children, but in answering the question asked by my hon. Friend the Member for Gateshead (Ian Mearns)—although in my view she did not answer it—did not the Secretary of State understand the very real fear that reintroducing grammar schools also reintroduces secondary moderns? That will mean, in essence, recreating divisions when the consensus has been that we should not allow those divisions in our education system. How will proposing new grammar schools, which will bring in secondary moderns, improve attainment for all pupils in all our communities?

Justine Greening: The fundamental premise of the hon. Gentleman’s question is wrong. This is absolutely not about going back to the past. Secondary moderns for many years did not even put their children through a single exam. Our school system has, thankfully, been reformed beyond all recognition since then, so the premise of his question is wrong. This is about improving standards across the board. The focus on the Progress 8 score—the progress made by every school—is surely where the emphasis needs to be placed.

Justine Greening: My hon. Friend is absolutely right. Collaboration and having good schools working with the broader family to raise overall attainment is important. Secondly, he is right that we should be looking to challenge schools on the progress of every single child. Part of the problem with the floor approach of getting children into GCSEs and achieving good A* to C grades was that it missed out on the often brilliant progress that schools make with children who are perhaps further back in their attainment. We should value that work, and that is the intention of Progress 8.

Mr Speaker: I think we should hear from a philosopher. I call Dr John Pugh.

John Pugh (Southport) (LD): Thank you, Mr Speaker. On a consensual note, the Secretary of State will surely share the view that the biggest and most significant problem in British education is the long tail of underperforming boys in our poorer areas, few of whom will actually pass the 11-plus. How on earth does she think the creation of grammar schools, in simple terms, is a solution to this problem?

Justine Greening: The hon. Gentleman is absolutely right. The scrums where the emphasis needs to be placed.

Gareth Johnson (Dartford) (Con): There is no doubt that there is a virtual scrum of parents around almost every grammar school in the country trying to take advantage of the excellent education and opportunities that they provide. The answer, therefore, is not to sneer at grammar schools or to try to close them down, but to enhance them. At the moment, new schools can select advantage of the excellent education and opportunities that they provide. The answer, therefore, is not to sneer at grammar schools or to try to close them down, but to enhance them. At the moment, new schools can select on the basis of children’s ability at performing arts, sports and music, but not on their ability at maths or English. How can that be right?

Justine Greening: My hon. Friend is right. The scrums around good schools are not just around good grammars; they are around good and outstanding schools generally. That is why our focus surely has to be on opening up the system as much as we can to make sure that we absolutely maximise our ability to get good schools and more places at such schools for children in
their local areas. Many of our colleagues talk about how children come from miles away to attend the good school in their constituency. Perhaps if we already had a good school closer to where those children live, they would not need to spend their time travelling, and losing out on homework and study time.

Nic Dakin (Scunthorpe) (Lab): I very much welcome the comprehensive-educated Secretary of State to her post and wish her well in this new challenge.

The “age of 11 is too early to make final decisions about a child’s future.”—[Official Report, 8 July 1970; Vol. 803, c. 683.]

So said Margaret Thatcher, the Secretary of State who oversaw the greatest expansion of comprehensive education. Does the current Secretary of State really want to increase the number of children taking the 11-plus and to bring back secondary moderns and grammar schools, with the negative impact on achievement predicted by Her Majesty’s chief inspector and the negative impact on social mobility predicted by the Government’s social mobility adviser?

Justine Greening: I have a great amount of respect for the hon. Gentleman. I know he spent a career in education before coming into this place. I would simply say to him, as I have said to many other colleagues, that he should wait for the policy options to come out. I will be interested to hear his response to them in due course.

Chris Philp (Croydon South) (Con): I went to a state grammar school in south London, and I owe my place here to that school. The best grammar schools actively seek children from disadvantaged backgrounds, and 14% of pupils at Wallington County grammar school, next door to Croydon, are on free school meals. Does the Secretary of State support that school’s plan to open a satellite grammar school in my constituency, rather like the one that was opened in Sevenoaks a few months ago?

Justine Greening: I think all of us are here because of the education that we were lucky enough to have. The challenge that we face, and the challenge that we are debating today, is ensuring that no child misses out on that opportunity because of the postcode lottery of where they happen to have been born. We need to ensure that good schools, whatever kind of good schools they are, have more freedom to expand and deliver more good places in our school system for children who do not currently have them.

Mr Ben Bradshaw (Exeter) (Lab): I have listened carefully to the Secretary of State, and I have not heard her explicitly support the policy that was announced by the Prime Minister at last night’s private Back-Bench Conservative meeting and leaked to the media. The Secretary of State smiles, but that is an interesting fact. The Prime Minister has repeatedly boasted that she likes to make decisions—thinking very carefully about them—on the basis of evidence. Is the Secretary of State aware of any evidence that shows that a grammar school system improves attainment across the piece, or improves social mobility?

Justine Greening: As I have said in the past, we have not set out the policy proposals—they will be set out in due course—but I refer the right hon. Gentleman to research conducted by the Sutton Trust, which clearly identified improved attainment by children on free school meals in grammar schools. The trust also said that its research showed no negative impact on the attainment of children outside the grammar school system. I recognise that different studies have identified different challenges relating to selection, but if that is the view that Members take, is there not all the more reason to open up a debate and discuss how we can develop a sensible policy on grammar schools?

Bob Blackman (Harrow East) (Con): I was educated in a comprehensive school, and I saw the benefits of both academic and vocational education. Does my right hon. Friend agree that one of the things we must do in society is assess young people and ensure that we can provide teaching that stretches them to the utmost so that they achieve the best they can, and does she agree that assessments at all ages are important so that we end up with the best possible people in society?

Justine Greening: Absolutely. While we are right to focus on the academic attainment of children in our schools because if they do not learn the basics they simply will not be able to succeed in any walk of life, we should recognise that one of the most important things we can do alongside that is embed our reforms of vocational education and apprenticeships, and ensure that those are competitive routes for young people who want to choose a path in life that is fundamentally different from an academic one. Underlying these exchanges at times is a slight sense among Opposition Members that education is purely about academic attainment. That is critical, but it certainly does not represent the totality of what we want our children to gain before leaving an education system. They must gain knowledge, but also, critically, they must gain skills. We must build skills pathways for the children who will be pursuing a much more vocational life course.

Lilian Greenwood (Nottingham South) (Lab): The Secretary of State recently told The Times Educational Supplement: “The times I learnt best were when I had great, amazing teachers, who could excite me about learning”.

I entirely agree. However, heads and chairs of governors in my constituency who are working really hard to raise standards and increase opportunities for all our young people tell me that the recruitment and retention of good teachers is the biggest challenge that they face. Does the Secretary of State not understand the frustration that they feel because she has focused on structures when evidence does not suggest that they work, rather than focusing on the problems that they see every day when trying to deliver a fantastic education for people in Nottingham?

Justine Greening: The hon. Lady is right. As she says, the issue of recruiting and retaining teachers, and unlocking their ability to get on with their job and to be excellent in the classroom, is truly important, and is relevant to some of the policy options that we will set out in respect of selection. It is indeed absolutely vital, and I assure the hon. Lady that we are not losing our focus on it.
Kevin Foster (Torbay) (Con): I am sure many people throughout Torbay, where three grammar schools work perfectly well with comprehensive schools, a studio school and a successful technical college, will have listened to some of the comments we have heard today, particularly from the shadow Education Secretary, in amazement. Does the Secretary of State agree that there is nothing radical about the idea of giving other areas the chance to choose to have the education system from which Torbay already benefits?

Justine Greening: For me, it is about two things. It is about being prepared to leave no stone unturned in asking what it is going to take to improve our education system for children and it is about having a practical debate on that which goes beyond the ideological debate and puts pupils first.

Kate Green (Stretford and Urmston) (Lab): In Trafford, where we have selection, our schools perform very well not because of selection but because of great teaching and good leadership, but I must tell the Secretary of State that the majority of parents in Trafford, especially parents of children with special educational needs, do not feel that they get their child into the school of their choice. In particular they feel that the grammar schools are reluctant to take children with special needs because they will depress the school’s results. Can she assure the House that the needs of those particularly vulnerable children will be given appropriate attention in the strategy she proposes?

Justine Greening: I am grateful for that question. I would be happy to sit down with the hon. Lady to discuss that matter further. It is incredibly important that we not only raise attainment across the board but leave no child out of the progress that we are seeing in our schools.

Charlie Elphicke (Dover) (Con): Parents in Dover, Deal and Kent as a whole see grammar schools and faith-based schools as engines of opportunity and aspiration. If the Government are going to look at having new grammar schools, which I wholly support, will they also look at more faith-based schools and more skills education throughout life to give people the greatest life chances at every stage in their lives?

Justine Greening: I agree that it is about choice, about diversity and about having more choice for parents and a school system that means that they can find the school for their child that is tailored to their needs.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): How does this help the Government’s new industrial strategy? We know that they still have a policy of having technology colleges, which seem to have disappeared somewhat. How will grammar schools help the new industrial strategy? In addition, has the Secretary of State had any discussions with the Roman Catholic Church and the Anglican Church about the potential impact on existing faith schools, particularly in the Teesside conurbation?

Justine Greening: As I have said, we will announce our policy options in due course. I am sure that the hon. Gentleman will want to respond to them, but education in schools is critical to delivering our long-term industrial strategy and to meeting the dual challenges of having a successful economy and of having our migration levels more under control. One way we can do that incredibly constructively is to meet more of our skills needs through our own young people—to train and educate them to be able to play their role in British industry, helping our country to be successful.

Mr David Nuttall (Bury North) (Con): Does my right hon. Friend agree that with all the different schools now available, if parents do not want to choose a grammar school education for their children, such schools will not survive and thrive? We should at least give parents with limited means the same choice that better off parents have.

Justine Greening: My hon. Friend is absolutely right. We should not accept poor school standards, whatever school the children are in. We must challenge low attainment wherever we find it, but the point I am making today is that it is not good enough to take something off the table just because of political ideology. We need to challenge all aspects of our education system to play a greater role in raising attainment and building capacity.

Christian Matheson (City of Chester) (Lab): There remains a fundamental contradiction at the heart of the Government’s thinking, which I suspect has been muddled by the ideology that they are accusing Labour of: either the school selects or the parent chooses, but you cannot have selection and choice together. Therefore, does not the suggestion last night by the Prime Minister that she wants to see an element of selection surely indicate that the Government have abandoned parental choice?

Justine Greening: I encourage the hon. Gentleman to wait for the policy options to be announced. I am sure that he will want to respond to them.

Robert Jenrick (Newark) (Con): I am sure parents in Newark will warmly welcome a new grammar school, as hundreds, often on very low incomes, have to cross the border into Lincolnshire. Does the Secretary of State acknowledge what a lot our existing grammar schools are achieving on very low funding? My local grammar school, which is in Gainsborough, gets by on £4,000 per pupil, while the lowest performing school in Lincolnshire, in Lincoln, has almost £8,000, so grammar schools do provide good value for money as well as high standards.

Justine Greening: My hon. Friend makes his point very well, and he will be aware that we are developing our proposals on reforming the funding formula for schools. I know he will want to represent his community as we do that, but it is important that we get more equitable funding for pupils than we currently have.

Clive Efford (Eltham) (Lab): It has been a trait of this Tory Government that they steal the language of the left to cover up the mean and regressive policies they introduce, using terms like “social mobility” when they mean quite the opposite. All the empirical evidence shows that investment in early-years does more to move children forward than any form of selection at 11 could
ever justify, so does the Secretary of State regret closing 800 Sure Start centres? Should we not be investing there, rather than having this pointless debate about bringing back selection?

**Justine Greening:** I do not accept this either/or characterisation of policy. What we need to do is improve education at every stage of a child’s life, including early-years.

**Mr Peter Bone** (Wellingborough) (Con) rose—

**Mr Philip Hollobone** (Kettering) (Con) rose—

**Tom Pursglove** (Corby) (Con) rose—

**Mr Speaker:** What a choice! Mr Peter Bone.

**Mr Bone:** I am not entirely sure what Northamptonshire has done to deserve getting the last questions.

I congratulate the hon. Member for Ashton-under-Lyne (Angela Rayner) on securing this urgent question, but I think she is under a misapprehension. I know that under Labour announcements were made in the press, but this Government make announcements here. At the meeting last night, there were no new announcements of policy, and I would be the first to object if the Government started to do that. Will the Secretary of State confirm that once the policy has been decided upon, she will come to the House and report on it?

**Justine Greening:** I think that was a very good choice, Mr Speaker, and yes I can assure my hon. Friend that I will come to make a statement.

**Mr Hollobone:** I have to tell the Secretary of State that in Kettering, where five of the six secondary schools are already academies and we have one of the fastest housebuilding rates in the country, and where recent exam success was very encouraging, the debate is not about whether we bring back grammar schools or not; it is about having more school places. Will she confirm her support for the Conservative manifesto commitment that all good schools, whether maintained, academies, free or grammar, be allowed to expand?

**Justine Greening:** Yes, absolutely. Our desire is to make sure that it does not matter what kind of school a good school is, but that it has the chance to create the additional good places that our country needs. For areas that do not have any good schools, we need to ensure we have a school system that is freed up enough so that schools can be set up there that really do improve prospects for children, or that we network those schools with other good schools nearby that are delivering. I have to say, however, that there are some parts of our country where that has proved challenging, which is why we need to leave no stone unturned.

**Tom Pursglove:** Does my hon. Friend agree that not only do different things work in different areas, but it is essential that we have a mixture of routes by which our young people can go on to succeed? Surely it is only right that a new Government are reviewing exactly where we are and looking at how best we can enhance what matters most, which is opportunity.

**Justine Greening:** My hon. Friend is absolutely right. We have 1.4 million more children in good or outstanding schools. We have done that in a variety of ways in terms of what children are learning in the class, but also in how we are getting schools to work together more collaboratively, but we now need to ask how we can take that to the next level. Critically, for the 1 million-plus children who still are not reaching the attainment levels we want and are living in parts of the country where they do not have a chance to get to a good school, we have to make sure that we change the terms of trade in terms of their educational opportunities.
Business of the House

11.34 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 (Mr David Lidington): The business for next week will be as follows:

Monday 12 September—Remaining stages of the Wales Bill.

Tuesday 13 September—Second Reading of the Digital Economy Bill.

Wednesday 14 September—Motions to approve statutory instruments relating to welfare reform in Northern Ireland and to pensions, followed by Opposition day (un-allotted half day). There will be a debate on NHS sustainability and transformation plans on an Opposition motion.

Thursday 15 September—Debate on a motion relating to domestic abuse victims in family law courts, followed by debate on a motion relating to quantitative easing. The subjects for these debates were determined by the Backbench Business Committee.

Friday 16 September—The House will not be sitting.

The provisional business for the week commencing 10 October will include:

Monday 10 October—Second Reading of the Neighbourhood Planning Bill.

I should also like to inform the House that the business in Westminster Hall for 15 September and 13 October will be as follows:

Thursday 15 September—Debate on sixth report of the Justice Committee of Session 2015-16 on prison safety. This subject was determined by the Liaison Committee.

Thursday 13 October—General debate on the tobacco control strategy. This subject was determined by the Backbench Business Committee.

I am sure that all right hon. and hon. Members of all parties represented in the House will want to wish the GB Paralympic team success on this, the first day of competition. Speaking personally, as the Member of Parliament who represents Stoke Mandeville, I think that everyone in the United Kingdom can take some considerable pride in the fact that it was in this country, due to the genius and drive of Ludwig Guttmann, that we saw the creation of the disability sport movement, which has grown into the worldwide Paralympic movement whose achievements we shall celebrate over the next two weeks.

Paul Flynn: We thank the Leader of the House for his answers. We are all basking in the reflected glory of the brilliant successes of our Olympians, and we too acknowledge the pioneering work in this country on the introduction of the concept of the Paralympic games. We all wish our Paralympians well. If there is a minor quibble, it is that this is an odd moment, when we are celebrating our sporting success, to diminish the time available for Culture, Media and Sport questions. The Opposition have reluctantly gone along with that decision, but we see it as a temporary measure. We certainly do not see any of those areas as minor in any way, and we look forward to the restoration of the full time that was previously available for those questions.

Next week’s Welsh debate will illustrate the degraded system of our democracy and the way in which it is heading into further distress. The Wales Bill will not guarantee a compensatory increase in the number of Members of the Welsh Assembly, although their work load has trebled. Wales will lose 11 of its 40 MPs as well as the four MEPs who represent Wales. There is great turmoil in our democratic system as the disgrace of buying places in the House of Lords continues. The press have rightly condemned the decisions taken by the previous Prime Minister to award places in the House of Lords, which is already bloated and trying to cope with 300 extra Members that it does not need, in order to placate the interests of lobbyists, cronies and party donors. Instead of piecemeal reform of only one defect in our democracy that will please and help only the Tories and disfranchise 2 million voters, we should get together and realise how degraded is our democracy and reach an all-party agreement on an all-embracing reform that will consider all the abuses in order to create a fair system that is good value for our electors and one that can win back international respect for the quality of our democracy.

The decision to halt the contract for Hinkley Point C was bold and brave. There is no crisis of security; the system being introduced is out of date and has never worked anywhere in the world due to endless construction delays—multi-billion cost overruns have happened in other countries. We must also reconsider the striking of an atrocious deal that will saddle electricity users with the world’s highest electricity prices for the next 35 years. Will the Leader of the House give us a debate before any final decision on Hinkley is taken, so that we can consider all these aspects in this House before we blunder into what could be a gigantic financial and technological disaster?

Finally, the Leader of the House had a distinguished record as a Minister for European affairs, so why are we retreating from our role of providing the gold standard for human rights in the world—certainly throughout Europe? By insisting on a minor matter of our own oppressive regimes—to go back to their traditions of abusing their citizens and degrading human rights. If we are no longer the trailblazers and do not provide the gold standard, others will slip backwards. Is that not a retrograde step? We should consider continuing to be a full part of the European Court of Human Rights and following all the European traditions of human rights, in which we have led for many years.

Mr Lidington: On the rota for oral questions, the usual channels will review it depending on how the new arrangements work out in practice.

Turning to the hon. Gentleman’s question about human rights, I must say that there is absolutely no retreat on the Government’s part from the high human rights standards that we set for ourselves in this country, and which we follow through in the promotion of our foreign policy objectives. The human rights of the United Kingdom were well developed, established and had a fine reputation before the enactment of the Human Rights Act 1998. There is a long-standing issue over decisions relating to the application of article 8 of the
European convention on human rights in particular extradition cases, so we are looking at how we might remedy some of those problems. However, the Prime Minister and the entire Government are absolutely clear that we stand by the human rights embodied in the European convention, which after all was very much the product of work by United Kingdom jurists and politicians at the time.

On Hinkley, as my right hon. Friend the Prime Minister said yesterday, we intend to take a decision very soon. In framing an energy strategy, we always have in mind the need to deliver on our climate change objectives and on ensuring security of energy supply, at reasonable cost, to both domestic consumers and British industry, so that British industry can be competitive in some quite fierce global markets.

I suspect that on the House of Lords the hon. Gentleman and I voted the same way, when those things were debated in a previous Parliament, in respect of a wholly or a partially elected upper House, but the truth was that there was no consensus, nor anything approaching the charter objectives, which he so strongly supported, in the House of Commons, within parties or across them, as to how that issue should be addressed. So it is not likely to be fruitful to try to pursue House of Lords reform as an early priority.

I was sorry about the disparaging tone that the hon. Gentleman adopted towards the Wales Bill, because this Government’s record in Wales has been about delivering the increased devolution that the Welsh people, the Welsh Assembly and political parties, for the most part, in Wales have been saying they wanted to see. I was not shocked, but I was disheartened by the critical remark he threw in about the approach of the parliamentary Boundary Commission and the framework within which it is operating. One of my treats since my appointment has been to dip into his autobiography, and I found on pages 57 and 58 of his memoirs that he lauded the achievements and record of the Chartists. He spelled out that one of the Chartists’ key objectives was that we should have constituencies with equal numbers of electors in each constituency. The framework under which the Boundary Commission is operating will deliver one of the charter objectives, which he so strongly supported, so I should have thought he would be cheering us on, not criticising us.

Sir Paul Beresford (Mole Valley) (Con): My right hon. Friend will be aware that the Independent Parliamentary Standards Authority is consulting on some remarkable changes—at least they are proposed changes. It is presenting itself before various Committees and will have two sessions before the Administration Committee, in which I have some interest. Will he agree to a debate in the House that might give IPSA the opportunity to get a better understanding of what it is like to be an MP and how it can assist, rather than hinder?

Mr Lidington: It is an important principle that IPSA is statutorily independent, but my hon. Friend is right in saying that any decisions about the salaries, pensions and expenses of Members of Parliament ought to be informed by a proper understanding of what the responsibilities of being an MP involve and of the multifarious ways in which different Members, because of the nature of their constituencies, go about doing the job. That information is important. On a debate, I suggest that the proper course would be for the Backbench Business Committee to consider this, if a large number of Members feel that a debate of that kind is needed.

Pete Wishart (Perth and North Perthshire) (SNP): I, too, thank the Leader of the House for announcing the business for next week and join him in wishing the very best to our Paralympians as they start their business of, we hope, winning a new clutch of gold medals for this country.

Yesterday, the Prime Minister announced that there would be no “running commentary” on the Brexit negotiations, when refusing to say whether she was in favour on the simple question of whether we should be in a single market or not. That sounded to me—it might just be me—that this House will simply be expected to accept whatever this Government concoct in this Brexit deal, as soon as they get round to deciding what that is going to be in the first place. The Leader of the House is Parliament’s champion; he has an obligation and a duty to represent this House. Will he confirm to us today that this House will be kept bang up to date on every detail of these negotiations on the single biggest issue in our public life today?

We already know that this Government have no intention of bringing the trigger for article 50 to this House—God knows where that leaves their whole concept of parliamentary sovereignty. We have also learned, second hand, that there will be no Australian points-based system. That is the UK Independence party’s favoured immigration system, yet it is too liberal for the Tories. Instead, they are going to have some sort of great wall of Calais constructed. I say to the Leader of the House: please let us have no more meaningless waffle from the Secretary of State for splendid isolation and no more keeping this House and the public in the dark about what this Government propose on Brexit.

This morning, it was announced that billions of pounds will be spent on refurbishing this House. I am sure that the Leader of the House meant to announce that we were going to have a full statement on that and a proper debate in Government time on the proposals, particularly as we have learned that this project could cost up to £4.3 billion of public money. I am sure that all our constituents would want to know whether that is a good use of public money.

Lastly, let me go back to the constituency issue in the House of Lords that the shadow Leader of the House so deftly raised. The Government were going to make an announcement on their latest plans to gerrymander constituency boundaries. They do not really need to do it any more, as the plans were designed to stymie the Labour party, which does not need to be stymied any further. I know that the plans give the Conservative party a lead of 30 seats, but that is not necessary any more. When we have that debate, can it be for all of Parliament, because we have to take into account what is going on in that absurd House down the corridor? It cannot possibly be right that we are increasing the number of unelected Lords while at the same time decreasing the number of elected Members. Can we have that debate and that statement?
Mr Lidington: Yes, Parliament will be kept fully informed at the appropriate times about the progress of the negotiations, although I think even the hon. Gentleman will understand that if there is an ongoing negotiation, it would be foolish of any Government of any political party to go into minute detail about how those negotiations were progressing, because that would disadvantage this country in the progress of those negotiations. The Government will indeed report back at regular intervals, and Ministers will additionally be available to answer those oral and written questions. It is also open to Members to make an application to Mr Speaker for urgent questions and debates if they feel that the case is strong.

I just say to the hon. Gentleman that he should look at the track record this week. On the first day back, we had my right hon. Friend the Secretary of State for Exiting the European Union answer questions about this matter for about two hours. Yesterday, in giving a statement about the G20 summit, my right hon. Friend the Prime Minister spent a lot of her time responding to Members’ questions about the impact on the United Kingdom’s international position of the decision to leave the European Union. I do not think that the hon. Gentleman can claim to have been short-changed this week.

The hon. Gentleman referred to the report on the restoration and renewal project that is to be published at midday today by the Joint Committee. It is a report which, like any Select Committee report, has been developed by the Members concerned. The Government have not had any input into it, nor have we had any prior copies of the report sent to us so that we could make comments before the Committee made its announcements today. Parliament will have an opportunity to debate the matter before any decisions are taken. Decisions about the future of the Palace will be a matter for this House and for the House of Lords.

Finally on the boundary changes, I just say to the hon. Gentleman that the principle involved here is equality of weight of votes. It really would be an affront to democracy if we went into an election in 2020 on the basis of electoral rolls that were based on a census that was nearly two decades old by that point and where we had some Members representing 100,000 electors and others representing significantly fewer than half that total.

John Howell (Henley) (Con): I note that the Leader of the House has announced the Second Reading of the Neighbourhood Planning Bill, and wonder whether there is enough time in that to debate the substantial and innovative recommendations of the local plans expert group to simplify the whole process, including neighbourhood planning, or whether he will recommend a second debate.

Mr Lidington: I think there will be an opportunity during proceedings on the Bill to have the kind of debate that my hon. Friend wants, but should he be dissatisfied, other opportunities will be available.

Ian Mearns (Gateshead) (Lab): On behalf of the Backbench Business Committee, I welcome the opening of a new and positive dialogue with the Leader of the House about the allocation of parliamentary business to Backbench debates. I know that he would welcome advance notice of any time-sensitive subject applications. We had such an application to the Committee on Tuesday for the week beginning 10 October from the hon. Members for Eddisbury (Antoinette Sandbach) and for Colchester (Will Quince), with support from across the House. The week beginning 10 October is baby loss week and they sought a debate about baby loss, infant mortality in the first year of life and still birth, which I think would gain great support across the House. If we could find a slot during that week, we would be very appreciative.

Mr Lidington: The hon. Gentleman makes a powerful and persuasive point. I cannot make a promise today, but I will do my best to accommodate his request.

Mr Peter Bone (Wellingborough) (Con): Wellingborough prison is a reserve prison so it is not operating at the moment. It is at the end of a large residential area, and three days ago 10 Traveller families dumped themselves on the prison car park. The Ministry of Justice has tried its best to move them. The situation has become unacceptable to my constituents, especially those living nearby. May we have a statement next week on how the Government deal with Travellers who are on Crown property?

Mr Lidington: Quite a number of Members from all parties have had this problem where there has been an unauthorised encampment on privately or publicly owned land and local residents have become distressed about it. I am sure that the appropriate Minister will want to talk to my hon. Friend about this particular case, but he might want to consider applying to Mr Speaker for an Adjournment debate so that he can air his views about the local situation more fully and secure a detailed response from the Minister concerned.

Sue Hayman (Workington) (Lab): The Campaign for Better Transport has this week set out its concerns that the Government’s Bus Services Bill will have a huge impact on rural bus services. I regularly receive complaints from constituents about the deterioration in their bus services, especially in the rural areas around Silloth and the Solway plain. Will the Leader of the House ensure that when the Bill comes for debate there will be proper time to discuss the impact on rural bus services?

Mr Lidington: I am sure there will be ample time to have those discussions, which will of course be relevant to Members across the House who have rural constituencies. There are some real challenges; many rural bus services provide a vital lifeline to what is often a minority of people due to the spread of car ownership. So the customer base shrinks, but those services are still important. I hope that the debate will encompass other things, such as the use of new technology to help provide community transport services, which in my constituency and others are providing a useful additional form of support to people living in villages.

Jeremy Lefroy (Stafford) (Con): May we have a debate on paediatric training in the NHS in England? In my constituency the children’s emergency centre at County hospital has been temporarily closed due to a lack of
sufficient trained staff, and I understand that I am not the only Member of Parliament who has this problem in their constituency.

Mr Lidington: I understand, particularly given the history of hospital services in Staffordshire, why my hon. Friend is so concerned. He has been a strong champion of patients in his constituency. I was sorry to hear what had happened. The local health authorities have obviously taken the decision on the grounds of patient safety, and that clearly must come first, but I hope that those local problems can be resolved as rapidly as possible. The Government are certainly determined to continue to ensure the highest possible paediatric training standards.

Matthew Pennycook (Greenwich and Woolwich) (Lab): May I take the opportunity to congratulate the right hon. Gentleman on his appointment? In January, the Government announced welcome proposals for a partnership between the Department for Transport and Transport for London to specify and manage metro services in London when individual franchises lapse. May we have a debate on how those proposals have developed in the months since and how the Government intend to take them forward in the months ahead?

Mr Lidington: I thank the hon. Gentleman for his welcome to me. I will draw his remarks to the attention of both the Minister for London and the appropriate Minister in the Department for Transport, and I will ask one of them to make contact with him about the matter.

Chris White (Warwick and Leamington) (Con): I am delighted that the importance of industrial strategy has now been formally recognised, not least with its inclusion in the title of a Government Department. May we have a debate on its terms of reference and its aims and objectives?

Mr Lidington: It sounds to me as though that would be an excellent idea for my hon. Friend to propose to the hon. Member for Gateshead (Ian Mearns) as Chair of the Backbench Business Committee. I am sure my ministerial colleagues would welcome it if such a debate were secured, because the industrial strategy will be important for the future prosperity of this country. It is important that we have a strategy that works for all sectors of industry, particularly for the new industries that will provide the growth and opportunity for this nation in the future, and that it is a strategy that works for all parts of the United Kingdom.

Chris Law (Dundee West) (SNP): Every single day in my constituency, I have low-income workers getting in touch after their tax credit support, wrongly and without warning, is stopped by Concentrix, an American company contracted by Her Majesty’s Revenue and Customs and paid on a payment-by-results model—in short, commission. This causes immense stress and hardship to households. At this point, 12% of all inquiries to my office are about this issue. Will the Leader of the House commit to holding an urgent debate on this matter before more people experience this harsh and brutal situation?

Mr Lidington: Although decisions about tax credits are not always what applicants want, every constituency MP would agree with the hon. Gentleman that it is very important that decisions are taken as promptly as possible and that they are accurate. He is right to say that people who are on low incomes to start with are completely thrown if an application that is justified is rejected or there is an attempt unjustifiably to claw back money after the event. I will let the relevant Treasury Minister know about the point. The hon. Gentleman may want to seek an Adjournment debate on it, but I hope very much that the problems that he has described will be resolved by HMRC and its contractors as rapidly as possible because constituents deserve a better service than that.

Alistair Burt (North East Bedfordshire) (Con): To assist my right hon. Friend the Leader of the House in the consideration of the Brexit process, I have a little idea to run past him. Can he enlighten us about the state of the discussions on the scrutiny by Select Committees of the Brexit process? My sense is that the convention is very clear: each Department should have a Select Committee. We have two new Departments; there should be two new Select Committees. Bearing in mind the complexity of the issue, the need for bandwidth and the need for all sorts of other committees to be involved as well, it would help if we got going on those Select Committees as soon as possible. Can he help, as I am sure the House wants to see such scrutiny?

Mr Lidington: I will do my utmost to help. These matters are the subject of continuing discussions between the usual channels. In anything relating to the establishment of Select Committees, if it is humanly possible to have cross-party agreement, it is better that we should achieve that.

Steven Paterson (Stirling) (SNP): Trossachs Mobility is a new and innovative charity that has been established in my constituency to offer opportunities to people who are wheelchair users to get out and about in the outdoors—the spectacular terrain, woodland and hills in the Trossachs. May we have a debate to explore how we can promote such excellent initiatives across the country?

Mr Lidington: That is an excellent subject for the hon. Gentleman to draw to the attention of Department for Work and Pensions Ministers at the next Question Time, or for him to seek an Adjournment debate on, because if that scheme is working well in his constituency, the word should be spread and others should look to see whether that is an example that they could copy.

Mr Ian Liddell-Grainger (Bridgewater and West Somerset) (Con): The next time the House meets with meaningful time to hold debates will be in October. The Government have given a lot of money to flood defences around the United Kingdom, with another £12.5 million today for the north. Could we have time to have a debate in this Chamber, or a statement from the Government, about the future of flooding and flood defences? Flooding—not just sea flooding, but flash flooding internally—affects all our nation, and it has to continue to be debated in this Chamber.
Mr Lidington: My hon. Friend raises an important point. I well recall that his constituency was very badly affected by floods a couple of years ago, and he was the most fearless and outspoken champion of his constituents at that time. A report was, coincidentally, published earlier today by the Department for Environment, Food and Rural Affairs on flooding and the Government’s 25-year plan for flood resilience. I would urge my hon. Friend and all Members who take an interest in these matters to study that report. It has a number of important conclusions, but also proposals on how the Government will take these matters forward into the future. I take note of his request for a debate; I clearly cannot promise one at the moment, but I understand the importance of the subject.

Andy Slaughter (Hammersmith) (Lab): On 19 August, a faulty Indesit tumble-dryer caused a major fire at Shepherd’s Court, a block of over 100 flats overlooking Shepherd’s Bush green. Some 26 families were forced to move out, and the homes and possessions of some of them were totally destroyed. It is a miracle there were no deaths or serious injuries. There are millions of these faulty products out there; they are not being recalled by the manufacturers. May we have a statement from the Government on how manufacturers can be made to recall and replace faulty white goods, as demanded by the London fire brigade’s “Total Recalls” campaign?

Mr Lidington: There is a question mark in my mind about the legal position if goods have indeed been sold that are a demonstrable threat to the safety of those customers. I would hope that, if the situation is indeed as the hon. Gentleman has described, the manufacturer would take note of his remarks and act accordingly. I shall ask the relevant Minister to look at the case that he has described. If he would like to write to me with the details, I will happily pass them on to the relevant Department, and let us see whether we can get the appropriate action.

Mr David Burrowes (Enfield, Southgate) (Con): My right hon. Friend was the longest-serving Europe Minister, and I have a familiar question for him—about Cyprus. May we have a statement, following the new Minister’s visit to Cyprus this week, which coincides with the three meetings taking place this week between the Cypriot leaders and with President Anastasiades saying the “end of the road” has been reached and it is time to reunite Cyprus?

Mr Lidington: My right hon. Friend the Minister for Europe and the Americas would be delighted to talk to my hon. Friend about his recent visit to the island. I think all of us across the Floor of the House want to see the day when Cyprus can be reunited and the Turkish and Greek Cypriot communities brought together again. That would be a really good day for the United Kingdom. I think there will be an opportunity to raise this at the next Foreign Office questions, but a conversation between my hon. Friend and my right hon. Friend the Minister is probably the best immediate way forward.

Liz McInnes (Heywood and Middleton) (Lab): Yesterday, the BBC reported that Katrina Percy, the ex-chief executive of the Southern Health NHS Foundation Trust, which is being investigated because of the lack of investigation into unexplained deaths at the trust, had resigned from her post but was then shunted into a £240,000-a-year job, which was created just for her, with no other candidates. May we have an urgent debate in Government time on this very worrying decision?

Mr Lidington: My understanding is that this appointment was wholly within the jurisdiction of the local board of the relevant NHS trust, and it is a decision that that board therefore needs to explain and for which it is accountable.

Julian Knight (Solihull) (Con): Health provision is hugely important to Solihull, as to all other constituencies, with an ageing population and particular acute health needs. Given that, may we have a debate in Government time about the NHS in the west midlands, and particularly the mergers of clinical commissioning groups and NHS trusts that are serving my constituency?

Mr Lidington: My hon. Friend raises an important point. He is already, in his first year in the House, building a reputation as somebody who really does stand up for good health services and the interests of patients in the west midlands. When we have Health questions on Tuesday 11 October, he will have an opportunity to make some of these points to the ministerial team.

Graham Jones (Hyndburn) (Lab): Newham Council’s application under the Sustainable Communities Act 2007 to control fixed odds betting terminals, alongside 92 other councils representing 42% of the population of England and Wales, expired on 14 July. The Act says that the Government have to compromise with the Local Government Association in these negotiations, but no debates have taken place. When will we get a statement on this important issue for a huge proportion of the country?

Mr Lidington: I will ask the responsible Minister to write to the hon. Gentleman about that.

Philip Davies (Shipley) (Con): Will my right hon. Friend arrange for the Attorney General to make a statement about appealing against unduly lenient sentences? A number of people, including some of my constituents who have contacted me about this, felt that the sentence given to Anjem Choudary was derisory, given the serious level of the offences that he had committed. Today, we found out in the newspapers that the Attorney General is unable to appeal against an unduly lenient sentence for that crime. We promised in our manifesto to extend the number of crimes that could be appealed with regard to unduly lenient sentences, so will the Attorney General come to the House and explain when we are going to crack on with it?

Mr Lidington: As my hon. Friend points out, the Government were elected on a manifesto that pledged us to extend the list of crimes that were covered by the right of the Attorney General to refer an excessively lenient sentence to the Court of Appeal. Work on that is ongoing. As soon as it is completed, either the Attorney General or the relevant Justice Minister will come forward with a statement to the House.
Mr David Nuttall (Bury North) (Con): As I am sure the whole House will be aware, this weekend the world black pudding throwing championships are taking place in Ramsbottom in my constituency. They date back to the Wars of the Roses. May we have a statement on what the Government will be doing to promote this prestigious and historic event in future?

Mr Liddington: For a moment, I thought that my hon. Friend was going to propose this as an experimental sport for the Tokyo Olympics in four years’ time. I envy him his round of constituency engagements. He has made his point very forcefully, as usual. I hope that he gets the chance to sample the black puddings before they are thrown rather than afterwards.

Patricia Gibson (North Ayrshire and Arran) (SNP): While giving evidence to the Procedure Committee, on which I serve, the Leader of the House’s predecessor offered to visit a local pub in my constituency to discuss the intricacies of English votes for English laws with my constituents. In the event, he did not do so—much to the great disappointment of my constituents. Will the new Leader of the House use his good offices to visit my constituency to discuss English votes for English laws with my constituents in his place?

Mr Liddington: It is a delight to have such a tempting offer from the hon. Lady. Of course, her constituency, like many others in Scotland, contains vibrant communities and some absolutely wonderful landscapes. While I would hope to be able to visit North Ayrshire and Arran at some stage in the future, I cannot give any firm diary commitment at the moment.

Bob Blackman (Harrow East) (Con): I welcome my right hon. Friend’s statement that there will be a debate in Westminster Hall on the Government’s tobacco control programme. The issue at hand is that the control programme that was running for five years has expired, and we were promised a replacement in the summer of 2016. I realise that the summer can stretch into the autumn, but we still do not have the new programme published. The Government have met the targets that they set themselves under the five-year programme. Will my right hon. Friend make sure that the Minister announces the date for publication during the debate and that it is also announced in this place?

Mr Liddington: I will make sure that the Minister is aware of that. My hon. Friend will have an opportunity not just to take part in the Back-Bench business debate in Westminster Hall but to raise this in Health questions on Tuesday 11 October.

Fiona Mactaggart (Slough) (Lab): When will Members know when they can elect the Chairs of the Select Committees?

Mr Liddington: As soon as possible, I hope. Obviously, after this week, we have to provide for an additional Select Committee Chair election, but I hope that the process is not delayed for any longer than is absolutely necessary.
Mr Philip Hollobone (Kettering) (Con): Will the Leader of the House look again at the time allocated for questions to the new Department for International Trade? I do not think that he was in his place this morning when we had half an hour for questions to the Department for Culture, Media and Sport and then half an hour for questions to the new International Trade Department. Almost 50 oral and substantive questions were listed on the Order Paper for a one-hour period, whereas a normal one-hour slot would have only about 35. Despite his huge experience, the Speaker had to make heroic efforts to try to squeeze everybody in, and even then the session overran by 10 minutes. Surely, we can do better than this, given the importance of international trade post-Brexit.

Mr Lidington: I personally will look at what experience tells us of the new roster for oral questions, and if the House needs to be asked to review it again, then obviously we will do that.

Mr Speaker: I think that will be very welcome in the House. The danger otherwise is that there is a recipe for disappointment. There is always unsatisfied demand, but it was very striking this morning. There were huge numbers and a lot were disappointed.

Louise Haigh (Sheffield, Heeley) (Lab): Further to the question from the hon. Member for Dundee West (Chris Law), I have also been contacted over the summer by hundreds of single women who have been affected by the behaviour of Concentrix. Yesterday I received a written parliamentary answer saying that the contractor had breached its performance standards on 120 occasions over the past 11 months. May we have an urgent debate about ending that very unfair and penalising practice?

Mr Lidington: Again, I think that the way forward would be for the hon. Gentleman to see if he can catch Mr Speaker’s eye during Business, Energy and Industrial Strategy questions on Tuesday 13 September, when he can put those points to Energy Ministers.

Dr Julian Lewis (Ellesmere Port and Neston) (Lab): I was recently contacted by a constituent of mine, Mrs Jones, when she discovered that her E.ON energy account had a standing charge of 14p per day higher than that of other constituents. E.ON tells me that it is entitled to charge a higher rate to those who do not pay their accounts by direct debit, but that amounts to more than £50 a year for people who do not have bank accounts, who are often some of the poorest people in society. May we have a debate about ending that very unfair and penalising practice?

Mr Lidington: My right hon. Friend raises an important point. Clearly it is a very important principle that all asylum decisions are taken on the merits of each particular case. That is true of applications from former interpreters as well as those from everybody else. It is also the case, however, that both the Ministry of Defence and the Home Office continue to review the overall situation in order to ensure that we are providing protection to people who have helped to protect us. My right hon. Friend will, I think, be pleased to know that there will be Defence questions next Monday 12 September, and he may wish to raise the issue with Defence Ministers then.

Kate Green (Stretford and Urmston) (Lab): May we have a statement on reports that emerged over the summer that the Government Equality Office has awarded G4S the contract to deliver the equality advisory support service helpline formerly provided by the Equality and Human Rights Commission? Hon. Members have long expressed concerns about the performance of G4S in relation to public contracts. The matter is urgent. I understand that the contract is due to take effect from 1 October, so can the Leader of the House arrange for a statement to be made to the House on the subject next week?
Mr Lidington: I cannot promise an oral statement, but I will draw the hon. Lady’s concern to the attention of the relevant Minister dealing with the Government Equality Office.

Nick Smith (Blaenau Gwent) (Lab): Parliamentary scrutiny of Sports Direct has helped employees get a better deal from a rogue employer. May we have a debate on how a good increase in the minimum wage leads to some employers cutting back terms and conditions for their staff, resulting in a net reduction in pay? That cannot be right.

Mr Lidington: It is certainly not right, but I would have hoped that the hon. Gentleman might at least have acknowledged that in setting the first ever national living wage, it is this Government who have lifted, very considerably, the minimum levels of pay that low-paid employees around the country can now expect.

Joanna Cherry (Edinburgh South West) (SNP): The right hon. Member for North East Bedfordshire (Alistair Burt) asked the Leader of the House what progress has been made in setting up Select Committees to scrutinise the new Departments for Exiting the European Union and for International Trade. He said that discussions are ongoing, but when we get back here on 10 October, it will be more than three and a half months since the referendum. We have had very little detail this week of what the Government propose to do, and I—I like lots of other hon. Members, I am sure—am being inundated with requests from businesses and individuals in my constituency, asking what the Government are going to do in the light of the vote. Can the Leader of the House guarantee that, when we return on 10 October, those Select Committees will be in a position to get up and running and to scrutinise those Departments to try to get the answers that we have not had this week?

Mr Lidington: I very much want that to be the position, and I hope that the ongoing discussions through the usual channels have a successful outcome soon.

Clive Efford (Eltham) (Lab): May we have a debate on the performance of Southeastern trains? The Government have put £20 million into trying to sort out the mess of Southern trains, but my constituents are suffering equally due to the poor performance of a company that is behaving like it has one foot out of the door because it can see the prospect of Transport for London taking over the franchise. We cannot continue in this way. The Government are responsible for the contract, so let us have a debate about it in Government time.

Mr Lidington: There will be Transport questions next Thursday 15 September, so the hon. Gentleman will have an opportunity to raise the matter directly with Transport Ministers then.

Martyn Day (Linlithgow and East Falkirk) (SNP): My constituent, Mr Adamson of Bo’ness, is, like other sufferers of Dupuytren’s contracture, waiting for a decision from the Department for Work and Pensions. In repeated parliamentary written answers, we are fobbed off with promises of a decision being reached in due course or shortly. On 12 January, I was advised that “a decision whether or not to add it to the list of prescribed diseases will be made early this year”.

As we are still waiting, may we have a ministerial statement to explain the delay and bring the deliberations to a conclusion?

Mr Lidington: I will certainly draw that matter to the attention of DWP Ministers, because clearly, whatever the decision will be, the sooner that people know the outcome, the better.

Kevin Brennan (Cardiff West) (Lab): The Leader of the House and I have something in common, in that we were both once contestants on “University Challenge”. If we were able to have a debate on enhancing democracy, how would he answer this starter for 10? Under what school of political logic do we enhance democracy by cutting the number of elected politicians and increasing the number of unelected peers?

Mr Lidington: As I said to the hon. Member for Newport West (Paul Flynn), I wish that there had been consensus on reform of the House of Lords in the previous Parliament, but that consensus was absent, and we are where we are. I doubt that opinion across the House of Commons has changed all that much since that abortive attempt at reform a few years ago.

The answer to the hon. Member for Cardiff West (Kevin Brennan) is that he really cannot evade the central point that we are now operating on electoral registers based on a census taken in 2001. They are very out of date, given the population changes that have taken place since then. It is also plainly wrong to continue with a situation in which constituency electorates are of such disparate sizes. That in practice means that there is gross inequality between the weight of votes of individual electors in different seats.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): In June this year, my constituent John “Ritchie” Anderson, a miner for 35 years, was killed by a gas blowout at Boulby potash mine. In August, a contract worker was electrocuted with 11 MW while doing surface work at the same mine. Back in April, 11 miners escaped with their lives after the oxygen ran out in a safety zone because of an underground fire. The Health and Safety Executive has investigated the mine on a number of occasions in the past 12 months. Some of those 11 miners have had to return to work with clear signs of post-traumatic stress disorder because the sick pay of just over £80 a week is not enough to cover the cost of feeding a wife and children. Can we have a debate about health and safety law and the implications of workers having to return to work because sick pay is not adequate, when companies have accepted liability for the danger that they have placed their workers in?

Mr Lidington: I am grateful to the hon. Gentleman for bringing that serious matter to the House. I express my sympathy with his constituents who have gone through this horrific experience, and with their families. The matter that he raises crosses the border between the Department for Business, Energy and Industrial Strategy and the Department for Work and Pensions, in respect of benefits and sickness pay arrangements. I will draw this question to the attention of Ministers in both Departments. He might also like to raise it at Business, Energy and Industrial Strategy questions, when it comes
up, or seek an Adjournment debate so that there can be
a consolidated ministerial response from across Government
to address his concerns.

Gavin Newlands (Paisley and Renfrewshire North)
(SNP): Around three people a day die because of a
shortage of transplantable organs. Earlier this week,
brave Renfrewshire mum Corinne Hutton, a quadruple
amputee, posed nude with her body painted with organs
that are deemed to be transplantable. Does the Leader
of the House agree that Corinne, whom I recently
witnessed becoming only the fourth person to be awarded
the freedom of Renfrewshire, is an inspiring woman
whose lead we should follow by debating organ donation?

Mr Lidington: The hon. Gentleman has used today’s
opportunity well to highlight his support for organ
onation. I, too, know constituents who have been
given not only a longer life, but a life of unexpectedly
improved quality because of a successful organ transplant.
I am sure that he can find many ways in which to
highlight the matter during parliamentary proceedings.

Points of Order

12.33 pm

Mr Charles Walker (Broxbourne) (Con) rose—

Crispin Blunt (Reigate) (Con): On a point of order,
Mr Speaker.

Mr Speaker: Order. I would prefer to save the hon.
Member for Reigate (Crispin Blunt) as a specialist delicacy
of the House. We will come to him in due course.

Mr Charles Walker: On a point of order, Mr Speaker.
Can you advise me how best I can bring my concerns to
the attention of the House in relation to the boundary
review and Lords reform? It seems perverse to reduce
the number of elected representatives in this place while
the Lords continues to gorge itself on new arrivals. I
believe in an appointed upper House, but not at the
current price and not at the expense of this elected, and
therefore accountable, Chamber. We in this place must
guard against bringing this country’s democratic settlement
into disrepute.

Philip Davies (Shipley) (Con): Further to that point
of order, Mr Speaker.

Mr Speaker: Is it further to that? Is it on that very
theme?

Philip Davies: It is further to that point of order.

Mr Speaker: In that case, let us hear from the hon.
Member for Shipley (Philip Davies), and then I will
respond to both.

Philip Davies: I absolutely endorse everything that
my hon. Friend the Member for Broxbourne (Mr Walker)
has just said. In addition to that, we also have the
situation whereby the Government propose to reduce
the number of MPs by 50 but not to reduce the number
of Ministers by an equal proportion, thereby giving the
Government more control over the House of Commons.
That is clearly an outrage, and surely it is something
that needs to be considered in conjunction with the
points raised by my hon. Friend.

Mr Speaker: I am very grateful to both hon. Members
for raising their points of order. Let me seek to deal, in
so far as they require to be dealt with, with each in turn.
First, in relation to the point of order from the hon.
Member for Broxbourne, who is, as we all know, the
illustrious Chair of the Procedure Committee of the
House, I remind colleagues that the hon. Gentleman
asked the Chair by what means he could register his
concern. As the hon. Gentleman knows, because he is a
perceptive and sagacious fellow, he has found his own
salvation. He has made his own point with his own
inimitable eloquence, and it is on the record. I know
how strongly he feels about it, and I know there are
many Members across the House who feel very strongly
about it, and these matters will doubtless be further
debated.

Secondly, in relation to the hon. Member for Shipley,
I note the force of his point about reductions in the
number of MPs needing, as he sees it, to be accompanied
by reductions in the number of Ministers. The hon. Gentleman has got such a long-established good memory for what people have said in the past that I feel sure that, although he did not say it today, he will be well aware that I myself expatiated on this matter on 19 January 2011 in a lecture to the Institute for Government. On that occasion, I made the point that it would be a ruinous business to reduce the number of MPs but not to cut the number of Ministers. I said it then and was right then, and therefore I am very happy to say it again, five and a half years later, and to be right a second time.

We had better leave it there. I am not sure that either of them was a point of order, but they were jolly good fun.

Kevin McCarthy (Bristol East) (Lab): On a point of order, Mr Speaker. Yesterday, I was allocated question 12 in Cabinet Office questions, asking:

“What recent progress has been made on the National Flood Resilience Review.”

We did not reach question 12, so I received a written response later that day:

“The National Flood Resilience Review has been assessing how England can be better protected from flooding and extreme rainfall. The review has been working to identify actions needed to strengthen our resilience to flooding.”

That is one of those answers that tells you absolutely nothing. To my surprise, this morning we had a written statement and this very hefty document, the “National Flood Resilience Review” published. The written statement, although it is from the Secretary of State for Environment, Food and Rural Affairs, is jointly in her name and the name of the Cabinet Office Minister. At the very least, was it not extremely discourteous of them not to flag those things up in the written response yesterday, or does it suggest that the Cabinet Office Minister was not aware that he was about to publish this review?

Mr Speaker: It would be rather disturbing, it has to be said, if a Minister of the Cabinet Office were unaware of the imminent publication in his, or a departmental colleague’s, name of such a report. I find that very hard to credit. It might well be regarded as discourteous; that is, to some extent, a matter of opinion. What I can safely say is that it was, at the very least, unhelpful. There is a general principle that ministerial answers should be as informative as possible, so it was unhelpful. I think I can say—possibly at the risk of irritating a Cabinet Office Minister, which I will have to bear with stoicism and fortitude—that at the very least it was extremely unimaginative of the Minister answering not to consider providing more information or, alternatively, to consider and then to decline. Very unsatisfactory—he really ought to be able to do better than that.

The great thing that we have on our side is that the new Leader of the House—there have been lots of illustrious Leaders of the House—as was flagged up a moment ago, is, of course, I think twice a winner on “University Challenge”, with a gap of I think, 30 years in between. It used to be said that the former Member for Havant, in the previous Parliament, was “Two Brains”. I leave colleagues to speculate or, indeed, to compute how many brains the Leader of the House has. He is a very cerebral fellow, and I am sure that he can spawn more imaginative and considerate thinking among his ministerial colleagues.

Kevin Brennan (Cardiff West) (Lab) rose—

Mr Speaker: Oh, very well. I call Kevin Brennan, and we will then come to the Chair of the Foreign Affairs Committee.

Kevin Brennan: Further to that point of order, Mr Speaker. May I point out, in all modesty, that I too have twice been a winner on “University Challenge”?

Mr Speaker: I must admit that I did not know that, but I do now, and I promise not to forget it.

Kevin McCarthy: Further to that point of order, Mr Speaker. I am obliged at this point to say that I was on the first ever season of “Blockbusters”, but all I came away with was a sweatshirt.

Mr Speaker: The hon. Lady has made the best case she can, and I thank her for that.

Crispin Blunt: On a point of order, Mr Speaker. This is pursuant to the point of order raised by the hon. Member for Rhondda (Chris Bryant) yesterday. There has been a further development, increasing the seriousness of it, which you acknowledged yesterday. On Monday, The Guardian reported the central recommendation of a draft report being put to the Committees on Arms Export Controls. The meeting to consider this was held yesterday in private. On Tuesday, “Newsnight” produced extracts of the text of the draft report, and that was the excepts subject of the hon. Gentleman’s point of order.

Yesterday, the Committees met and resolved to report the matter to the Liaison Committee. As I understand our procedures, the Liaison Committee will have to consider the matter and decide whether it should be referred to the Privileges Committee, which would then have to decide whether and how to pursue this matter. Subsequently, last night, “Newsnight” reported extracts of the amendments tabled by the right hon. Member for Warley (Mr Spellar) and me, which can only have come from the consolidated list of amendments circulated to members of the Committees on Tuesday.

Separately, Patrick Wintour in The Guardian today—this was put online at 00.01—reported the number of amendments we had tabled to the report, a fact which was not reported on “Newsnight”. “Newsnight” chose to contextualise the amendments tabled by the right hon. Gentleman and me in the light of our previous membership of the all-party group on Saudi Arabia, work I did in the middle east 12 years ago and the right hon. Gentleman’s record of opposing employment provided by the British defence industry. “Newsnight” emphasised that none of this was improper, “but it gives you a sense of where people stand”.

In parallel, members of the Committees received between 1,500 and 2,000 emails on Tuesday and overnight, which appear to have been organised on someone’s behalf by Avaaz, a self-styled global citizens movement, which was aware that the Committees were meeting to consider this issue. The right hon. Gentleman believes
one of them was from a constituent, but my office did not identify any constituents before it called the organisation to invite it to desist.

Mr Speaker, this amounts to a prima facie case of a deliberate campaign to influence a Select Committee, relying on in-confidence information provided by a Member of this House or their staff. Conceivably, the information could have come from Committee staff; but I think you would agree that that is highly unlikely. I cannot recall an example of such deliberate and repeated leaking of information in our time in the House.

Will you confirm, Mr Speaker, that it would not be open to the Privileges Committee, if this is referred to it, to call in the police, as this is not a criminal matter, but that it would be able to call on the services of private investigators? They would have the capacity to interrogate the electronic records, including deleted emails, relating to potential sources for this confidential and private consideration by Committees of matters, in this instance, of the greatest seriousness, involving life and death issues and the employment of tens of thousands of our fellow citizens. Will you encourage the Liaison Committee to consider this as a matter of urgency, and confirm your view of the seriousness of this attempt to undermine the work of Select Committees?

Dr Julian Lewis (New Forest East) (Con): Further to that point of order, Mr Speaker. I have participated in only two meetings of the Committees on Arms Export Controls, because three other members of the Defence Committee have been nominated as our regular attenders; I have total confidence in them. May I, however, express my disquiet about something I learned only yesterday? The draft report, which is very one-sided, was produced without any heads of report discussion prior to the drafting of the report. That means there was no opportunity for members of the Committees who dissented from the thrust of the report to raise their objections and try to reach consensus before a draft report was produced and then leaked in a very sensational way. I must say, as someone who has been at one remove from the operation of the Committees, that something went terribly wrong. I say that as someone who is highly critical of Saudi Arabia and in some sympathy with some of the arguments in the draft report.

Mr Speaker: I am grateful to the hon. Member for Reigate (Crispin Blunt) and the right hon. Member for New Forest East (Dr Lewis) for their points of order.

With respect to what the right hon. Gentleman said, I am intimately conscious that I cannot and should not intervene or overly pronounce on the way in which Select Committees of the House conduct their affairs. From my own experience as a member of several Select Committees before being elected to the Chair, I can say that it was certainly my normal and satisfied expectation that before draft reports were produced, there would be a period of considerable discussion by the Committee not only about chapter headings, but, more substantively, about the direction of travel that colleagues could anticipate even in the first draft. In other words, the process would be Member-led, rather than Chair-decreed, still less official-determined. Therefore understand the sense of angst that the right hon. Gentleman has conveyed in a very reasonable, balanced way. I think colleagues would do well to consider what he has said.

More widely, I would say—if colleagues want to come back on this, they will—that the Committees on Arms Export Controls carry out extremely valuable work. To do so, they rely on the co-operation and consensus of the Chairs and members of four Select Committees. I very much hope that this co-operation can be maintained so that the House can benefit from their important work.

The Chair of the Foreign Affairs Committee focused very much on the matter of the leak and what might flow from that. Let me just say that it is for the Committees concerned to investigate the cause of the apparent leak to decide whether it constitutes a substantial interference with their work—a matter on which Members not on the Committees may also have a view—and to inform the Liaison Committee, seeking its views in the process. Thereafter, it would be sensible for them to decide—indeed, it will inevitably be decided—whether to make a special report that would stand referred to the Committee of Privileges.

The hon. Gentleman asked me about the use of private investigators. I can only say that I do not know whether that would be effective in this instance, although it is perfectly conceivable that it might be. Probably the best approach for me to take is to say: let the Liaison Committee, which is an established and respected Committee within the House, make a judgment. It is perfectly legitimate for colleagues to make representations to the Liaison Committee about what they think should happen. Rather than for the Speaker to say what the Liaison Committee should do, the Liaison Committee should consider the matter carefully, taking note of these points of order in deciding how to proceed.

This is a very serious matter, indeed. If the Committees of this House are to work effectively, we cannot have a situation in which individual members of a Committee leak information, in advance, to advance a particular point of view or to retard the progress of another. That is wholly against the spirit of the operation of the Select Committees of this House. I thank colleagues for what they have said, and for the spirit in which they have said it.
Backbench Business

Scamming: Vulnerable Individuals

12.49 pm

Julian Knight (Solihull) (Con): I beg to move,

That this House believes that the elderly and vulnerable are a high-risk group from having harm done to their financial, emotional and psychological wellbeing from criminals who target them with scam calls, post and visits; praises the work that trading standards bodies do to combat scams; calls on financial institutions and the communications industry to put in place mechanisms to protect potential victims from scams; further calls on the Government to recognise the threat from scams to victims’ ability to live independently; draws attention to the measures proposed by Bournemouth University, the Chartered Trading Standards Institute and National Trading Standards Scams Team on financial harm as useful first steps in tackling such scams; and calls on the Government to make suggestions on further steps to tackle such criminality.

It is difficult to overstate the damage done to our economy and society by fraud and scam artists. Such people prey on some of our most vulnerable citizens and can strike at many points in our lives, whether we are buying a home, hiring a tradesman or investing in our pensions. As a former consumer rights and personal finance journalist, I have seen at first hand the real harm that these fraudsters can do. They not only leave people poorer, but can cause a huge range of health and confidence problems far into the future.

While working for the BBC in 2003, I covered the story of a Southampton pensioner who fell victim to scam artists pretending to represent something called the Canadian lottery. They convinced him to wire £1,600 to Canada as an administration fee to unlock his winnings, which of course never materialised. Instead, there were only escalating demands for more cash, and good money went after bad; indeed, in the end that individual paid out more than £9,000 to those fraudsters. In a particularly cruel twist, I remember he told me that he had been told to wait up with his wife, because someone would call at his house to deliver a cheque for his winnings and a bunch of flowers. The door was never knocked on. When he spoke to the fraudsters again, they laughed down the phone at their own cruelty. It is very easy to form snap judgments about people who fall victim to these sorts of schemes—indeed, the victims often blame themselves, which is one reason why only 5% of cases come to light—when we ourselves have been lucky enough never to fall victim to one.

Sir Greg Knight (East Yorkshire) (Con): My hon. Friend is making a good case. Does he agree that these crooks are getting ever more sophisticated? Using scanning technology and the ability to take pictures from the internet, they often copy the logos and trademarks of reputable companies, which makes it even harder to detect the scam.

Julian Knight: That is absolutely correct. There is an ever-rising tide and the methods are becoming more sophisticated. While we are talking about logos, these people use governmental logos—that of Her Majesty’s Revenue and Customs among others—that they can pretend to be quasi-governmental. They also use logos that are very similar to governmental logos and those of other institutions. He is quite right to raise that point.

As I say, it is easy for us to rush to snap judgments, and some people do that about what they perceive as their own foolishness. However, the gentleman I was discussing was no fool. He had run his own business for more than 30 years. The scammers were not only persuasive but, as they often do, preyed on his very best instincts, especially the thought of how he could help his children with the winnings.

I thank the hon. Member for North Ayrshire and Arran (Patricia Gibson) for co-signing the motion. I also thank all right hon. and hon. Members who have talked to me prior to the debate to recount their stories of constituents who have been affected. I was struck by one from my hon. Friend the Member for Banbury (Victoria Prentis), who wrote to tell me that an elderly lady in her constituency was robbed of almost £35,000 by people posing as, of all things, an anti-fraud unit from her local bank. Unfortunately those fraudsters were not caught, and as the banks are not liable, her savings have not been returned. That has had a devastating impact—not just financial but emotional—on the lady concerned.

Those incidents are just two among the thousands that occur each and every year. They highlight why we need to do more to combat this detestable style of crime. I thank the many external organisations that got in touch with me, especially those that provided so much useful data and information, such as the Chartered Trading Standards Institute, Age UK, Financial Fraud Action UK, Standard Life and the Fairway financial consultancy.

The cost of fraud to the economy is truly astonishing. According to the Chartered Trading Standards Institute, it amounts to £52 billion a year. Numbers can get thrown around, but to put that into context, £52 billion is more than we spend on defence or education. If we were to cut that figure by just 10%, we would re-inject £5 billion into people’s savings and the wider economy itself. That would equate to much of the economic boost that has come about in recent years due to payment protection insurance payouts.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am grateful to my hon. Friend for leading the debate. A quarter of the population of my constituency is over the age of 65, and the average age of those being scammed is 74, so my constituents are particularly concerned. He talked about financial cost, which is of course important, but those being scammed are some of the most vulnerable in society. This is an issue of not just the financial cost, but the human cost.

Julian Knight: I could not agree more. The demographics in our constituencies are very similar, certainly in terms of age—in Silhill ward in my constituency, 40% of people are over 65. As my hon. Friend says, the average age of scamming victims is 74. Fraudsters have many different ways of making their approach, but in the main they instinctively target elderly people—although not to the exclusion of everyone else—because, frankly, the older generation is quite polite. They do not want to put the phone down straightaway and they might respond to a letter. However, as I will explain, as soon as someone does that, they enter a whole new world in terms of the information gathered by these fraudsters.
The national average cost of fraud per victim is purportedly just over £1,000, but the amounts can be a lot higher. I was staggered to find that in my constituency the average cost is £9,000 for each event of fraud, which probably reflects our relatively affluent population and also the fact that we have an older population, as my hon. Friend and I discussed a moment ago. Older people are disproportionately the target of scammers, but we must not forget that the youngest reported victim that I have been alerted to was only 19. Can we imagine starting out in life, effectively, as an adult, and finding that one of our first experiences is to be hoodwinked by one of those despicable fraudsters? That demonstrates that no one who is old enough to handle their own finances can afford to be complacent about the risk of fraud.

Being stung is often only the start of the process. A victim’s details can be sold on more than 200 times, putting them in the sights of a much larger pool of international criminals. The National Trading Standards scams team has found an astonishing 106,000 potential victims of fraud on captured criminal target lists. The fraudsters call those sucker lists, which shows what they think of people. Investigations suggest that the names of 560,000 victims from the UK are already in circulation.

We must not fall into the trap of considering only financial costs as the social and human damage caused by fraud can be just as severe. Indeed, according to trueCall, the phone screening service, the impact of scamming is comparable to that of violent crime. For starters, 29% of victims suffer a major depressive episode in the 20 months after a crime, compared with just 2% of non-victims.

Dr Sarah Wollaston (Totnes) (Con): Has my hon. Friend also considered the risk and actual harm caused when scammers market fake medicines online? That is a particular problem. Operation Pangea has been seizing many such products as they come into the UK, but people need to be aware of the danger of buying from online pharmacies. They need to be sure that they are buying from a reputable agent of the pharmacy industry in the UK, and people can look at logos to check that they are doing so.

Julian Knight: I thank my hon. Friend for raising that point. She will have come across that issue in her role as Chair of the Health Committee. As I understand it, such cases are not simply a question of being defrauded of money; they can actually cost people their lives, in the worst possible circumstances.

As well as depressive episodes, 45% of victims suffer a generalised anxiety disorder compared with just 15% of non-victims. The stress that victims suffer can both exacerbate pre-existing health conditions and induce post-traumatic stress, and 10% of victims have unexplained hospital admissions within three months. The circles of these frauds—their effects within our wider society—roll outwards and outwards. More horrifyingly, people who have been defrauded are two-and-a-half times more likely than non-victims to be in care or dead within two years of the event. Scammers take so much more than cash. They can rob us of our self-confidence and elderly citizens of the ability to live independently.

We should not forget the people who fight back. I have enjoyed reading stories of people called scam busters, who turn the tables on these predators by wasting their time and making fools of them. I particularly liked one story that the BBC covered a few years ago of a gentleman who managed to persuade a Nigerian scammer to daub himself in war paint to prove his dedication to a made-up religion. Overall, however, the clear knock-on effects for personal independence and relationships add huge invisible costs to the headline figures of fraud.

Dr Julian Lewis (New Forest East) (Con): I congratulate my hon. Friend on the excellent case he is making about this very important subject. From personal experience, I know that some scammers concentrate on people who are beginning to suffer from short-term memory loss. Will he explain to what extent that is a feature of this phenomenon? If it is, as I suspect, a very significant feature, does it not highlight the importance of people who are beginning to lose their faculties trying, whenever possible, to give power of attorney to reliable relatives so that they are not vulnerable to being taken advantage of in this way?

Julian Knight: That is absolutely correct. We also need better training for bank staff. Nationwide is very good at spotting the signs of when an individual is being defrauded. I remember one case that was told to me by my grandmother, who is 91, of a lady on her estate who had tried to withdraw several thousand pounds from the Nationwide with two burly men behind her. That case related to fake tarmacking and the usual fake repairs. Nationwide must be commended for stopping that withdrawal from happening. The Post Office, too, has put in place such training. My right hon. Friend is right to make the link between scamming and the ever-increasing instances, due to longevity, of dementia in our society. This is another challenge we must meet as a society through financial institutions, and family and other support networks.

The clear knock-on effects for personal independence and relationships add huge invisible costs to the headline figures I mentioned, both by increasing demand for state support and simply in terms of human misery. One of the reasons why fraud is so difficult to tackle is that it can take many different forms. Con artists are adept at exploiting people’s unfamiliarity with the technical aspects of a product or service in order to trick them. They are also quick to exploit the latest news story or Government initiative, and sometimes simply try to exploit our generosity after a natural disaster by posing as someone in need of disaster relief. An email apparently coming from a disaster zone and asking for help is a very common trick of the fraudsters.

Several constituents have visited my surgery to complain that their insurers will not allow them to take money out of their pension funds to invest into unregulated investments—so-called “penny shares”—which allow scammers to sell people worthless stocks and other asset classes. I am sure that other hon. Members have received similar visits. I have had to be very clear to those individuals that their insurers are perfectly right and that they should never put their pension at risk. I encourage Members to remain vigilant about such stories. This “pensions unlocking”, as it is called, is just one way in which con artists are trying to exploit the
Government’s new, more liberal pensions system. I fully support the Government’s desire to give more power to individual savers, but such cases highlight the importance of developing anti-fraud protections alongside policies, rather than after they are implemented. That applies to our regulators, too.

Impersonating banks is another common form of financial fraud, as the constituent of my hon. Friend the Member for Banbury discovered. According to Financial Fraud Action UK, scammers are now targeting individuals directly for passwords, passcodes and PINs as security systems become ever more sophisticated and complex. FFA UK reported that losses to financial fraud totalled £755 million in 2015, but that was only what was reported. Unfortunately, that figure represented a 26% increase on 2014, despite bank and card company security systems intercepting and preventing £1.76 billion of fraud, or £7 in every £10 of potential losses.

Fraud is also flourishing on the internet. According to consumer group Which?, more than 5 million online scams were carried out last year, with an astonishing £9 billion lost to fraudsters. It also reports that six in 10 of us reported being targeted by online scammers in the 12 months up to May this year. Frankly, I am surprised the figure is only six out of 10; I am forever being asked to wire money to various parts of the world, basically for it to be laundered. The most common types of fraud are phishing emails—usually purporting to be from a bank or senior official—seeking money, and bogus computer support.

Alongside this cutting-edge crime, the more traditional forms of fraud flourish too, such as false tradesman tricking people into paying extortionate amounts for unnecessary work and often providing cover for outright distraction burglaries into the bargain. I was struck by a case sent in by the Chartered Trading Standards Institute on this very point. The case involved a 78-year-old pensioner from Lincolnshire who lived alone and was isolated from family. The pensioner was conned out of his house by a conman who convinced him that major repair work was needed on his property. After being cold-called and visited, he agreed to will part of his property in return for the work being carried out. However, the documents he signed actually gave the house to the scammers, who then placed him in a car park. It was only the victim’s testimony in court that guaranteed a conviction. The officers involved had no doubt there were other victims, silent victims, who had lost homes in this way.

The huge financial and human costs of fraud make the case for action clear, but the problem could very well be much more serious than we realise. The CTSI believes that only 5% of scams are ever reported, with fear and shame keeping victims silent and preventing them from seeking help. There are already some very strong efforts in this area. In addition to the preventive measures by banks and card companies that I have already mentioned, trading standards has been collaborating with charities and the police to afford better protection to victims. For example, there has been a concerted effort to provide previous victims, and those whose age or health makes them likely to be victimised, with call blockers. These have so far protected 1,600 vulnerable people and blocked 95% of 81,000 attempted nuisance calls.

Based on the overall statistics, trading standards estimates that more than 11,500 scams, which would have been carried out, have been stopped. Expanding the capacity of trading standards, as many have suggested, would make these efforts more effective. More needs to be done, especially when the resale of personal information makes so many people vulnerable to crimes such as identity theft. The CTSI has called for much stricter regulation and control of personal data to counter industrial-scale and legal harvesting of personal data which can then be put to illegal use or sold on. So often, the first purchase of the information can be done through clicking a box, for example to sign up to a newsletter. The information then goes into the ether. I do not believe that people know quite what they are signing up to: there is no transparency. The first few purchases of that information might be bona fide and legitimate. Further down the scale, however, we start to find in investigations that holding companies, which are a front, are effectively buying in the information for fraudsters.

Despite the fact that 85% of people, a huge majority, think that businesses have an equal or greater responsibility to protect their customers from fraud than consumers, the Cyber Security Breaches 2016 Survey found that only 5% of firms invest in ongoing monitoring of hacks into their systems, despite more than six in 10 reporting such breaches. I know from personal experience that some banks have a long way to go in their own security arrangements, too. Very recently, HSBC asked my wife to send some very sensitive financial and personal information to a private email address. That was legitimate. It was bona fide. But what on earth is a bank doing allowing private and sensitive information to go outside its own networks?

Some firms report to me the astonishing claim that some of our current systems work against responsible corporate behaviour. A partner in the financial consultancy firm Fairway wrote to me that the Financial Ombudsman Service was holding his firm accountable for losses incurred via some very risky, and frankly quite murky-sounding, investments that his firm had clearly warned its clients to avoid because they would put their life savings at risk. One adjudicator at the FOS had apparently suggested that the firm should have refused to advise the people involved. How can we have a system that makes it harder for people engaged in potentially problematic and risky investments to receive professional advice? It is essential for us to ensure that our regulators are focusing on the authors of dodgy investment schemes which blur the line between legitimate business and outright fraud, and not unfairly penalising those who try to help.

The Government can also make a real difference by stress-testing policies and building anti-fraud protections into them as they are developed, rather than waiting until afterwards. I know that the Cabinet Office has made great strides in relation to the sharing of information throughout the Government to track down benefit fraudsters and other financial scammers.

Jessica Morden (Newport East) (Lab): I congratulate the hon. Gentleman on an excellent speech. I strongly endorse what he has said about Government schemes. He mentioned pensioners earlier, and in recent years, particularly in south Wales, they have been targeted by green deal scams. I agree wholeheartedly that it is important
for the Government to build in safeguards when they are developing policies, to prevent people from being scammed on the back of legitimate Government schemes.

Julian Knight: That is a very good point. I remember the fraud that took place way back when tax credits were launched. The fraudsters cotton on incredibly quickly, and they see the opportunities. They seem to be extremely flexible in that regard. Scam artists are very quick to move on any new opportunity. They cost the Government hundreds of millions of pounds by exploiting the green deal, and, before that, Labour’s tax credits proved so vulnerable that the online portal set up to claim them is still closed a decade later.

We also need much clearer warnings for people. Despite the best of intentions, much of the advice on offer is too cautious, and contains too much room for doubt. There is too much reliance on caveat emptor. It would be much better to lay out some very clear rules, such as these. If a tradesman knocks on your door to say that you need surprise repairs, just say no. Thank him or her, and, if you are worried, call a reputable professional yourself. If someone tries to convince you that you have won a lottery that you did not enter, just say no: it cannot be made clear enough that that never happens. If someone tries to persuade you to make a risky investment with your pension, just say no: that precious investment has to look after you in your old age. If you want to invest, always take the time to seek proper, independent professional advice.

Mark Tami (Alyn and Deeside) (Lab): Is the hon. Gentleman as worried as I am about the number of people who respond to communications? He mentioned the lottery. Once people have responded to one communication, they will receive many more. I heard of one person who received up to 10 or 20 a day. Moreover, the communications are coming from abroad, which means that they cannot be intercepted and stopped. It is causing a great deal of heartache to very vulnerable people.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the hon. Member for Solihull (Julian Knight) responds to that intervention, let me point out that, while I appreciate that he is making some extremely important points and the House is very attentive, a limit on Back-Bench speeches does not apply to the next one. I must therefore impose a five-minute time limit on Back-Bench speeches. That does not apply to the next speaker, who is deemed to be the spokesman for her party.

1.15 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I am delighted to co-sponsor the motion and this important debate along with the hon. Member for Solihull (Julian Knight), with whom I have sparred in the past but with whom I am in complete agreement today.

The cost of scamming in our society is undoubtedly huge and cannot be counted only in terms of pounds and pence, although the financial cost is significant. Scamming affects the elderly and other vulnerable members of our communities, not exclusively but disproportionately, and the problem is becoming greater with each passing day. The Office for National Statistics predicts that by 2030 the number of elderly people living in our communities will increase by 34%, from 11.6 million to 15.7 million, and the number of people living with dementia will increase from 850,000 to 2.1 million.

The people who perpetrate scams use sophisticated techniques to scam their victims, repeatedly in some cases. Trading standards, although already hard-pressed, is working on the front line to do all that it can to safeguard the vulnerable. The most sinister, cynical and cruel aspect of scamming is that it is criminal activity which targets those who are most vulnerable in their own homes. The one place where any of us should feel safe becomes the setting for people being conned out of their money via sales scripts, data collection and targeted mail. Scams can involve, for instance, pension fraud, bogus equity release schemes, fictitious prize draws, false investment opportunities, upfront payments to release lottery wins, upfront payment for building work that is either never started or never completed, and investment scams. The most common telephone scams are cold calls. I hope that everyone who is in the Chamber today will feel able to support my ten-minute rule Bill on cold calls next week. I do not have time to talk about it now, but it is fascinating.

The impact of scams goes far beyond financial loss. It is emotional and psychological, and has even been shown to have an impact on physical wellbeing. At worst, it can ruin lives and split families, with the consequences lasting long beyond the initial trauma of financial loss. Moreover, even when financial losses are comparatively low, scams lead to a breakdown in consumer confidence. The full effects of the harm caused by them is difficult to estimate, as only about 5% of victims report that they have lost money. We know that the average victim loses about £1,000, but we also know that many lose hundreds of thousands of pounds. We know that victims of scams often feel embarrassed, and are afraid that their families will judge them to be no longer capable of living alone. For that reason, scams may not be reported, which leaves the victims open and vulnerable to repeat scams. Some people find it extremely difficult even to admit that they have been victims of a crime.

We should not forget that the impact of dementia and other impairments makes vulnerability much more pronounced and the ability to target an individual...
repeatedly much more possible. As we heard from the hon. Member for Solihull, it has been demonstrated that victims of scams are nearly two and a half times more likely to require increased care provision, or to die within two years of being scammed. It has also been reported that victims often experience a rapid drop in their physical health after realising that they have been scammed.

The scale of the problem and its associated costs are absolutely huge. Alongside this growing problem, we all know that trading standards are struggling to cope, although the work they do is worthy of very high praise and demands our respect. I also want to highlight the excellent work carried out by CIFAS, which works to prevent fraud and financial crime through the sharing of confirmed fraud data. Last year, CIFAS prevented more than £1 billion in fraud loss by sharing data across sectors. Its data show that in 2015 in my own constituency of North Ayrshire and Arran, 278 frauds took place and there were 103 victims of fraud. We know that that is a mere snapshot of the true level of fraud, which is likely to be much higher.

I want to single out for particular praise North Ayrshire Citizens Advice Service, which carried out a range of activities to promote Scam Awareness month, which was July, providing training to advisers, raising awareness of scams among clients, and working in partnership with local community groups, the third sector, Police Scotland, and Ayrshire College. It also worked closely with my local Member of the Scottish Parliament, one Kenneth Gibson, whom I mention purely in the interests of domestic harmony.

Scams do so much more than rob people of their money. They rob them of their confidence, their belief in themselves and in their judgment, their self-esteem, their willingness to trust people and the help they may be able to offer them, and ultimately their ability to live full, happy, independent lives. What makes all of us vulnerable to scams is shown by research carried out by Which? All of us are overconfident about our ability to spot a scam. Ironically, that makes us all the more vulnerable. The gap between confidence and ability is dangerous.

So what can we do about this problem? I absolutely agree with the suggestion put forward by trading standards that financial institutions should recognise that clients with dementia are by definition more at risk of being scammed and that measures need to be taken to protect that group as a duty of care. Those who are diagnosed with dementia live with a cognitive impairment and that must be recognised. The sharing of personal details and information with other organisations should require a clear opt-in, as opposed to an opt-out. The normal default position of charities and other organisations should be that personal details are not passed on or shared, except to report a safeguarding concern where there is a suspicion that a person may be at risk of harm from scamming.

In addition, customers should be able to formally notify their bank in writing that they feel at risk and request that all transactions over a certain amount to new payees have a 24-hour delay before being processed. That will give time for the proposed transaction to be challenged and potentially stop scammed money from leaving a scam victim’s account.

Those eminently sensible and fairly straightforward measures would do much to protect those most at risk of scamming—the elderly and the vulnerable in our communities. I urge the Minister to reflect on those proposals to help us to tackle the problem that confronts people who are robbed in their own homes and subsequently find the experience scarring. The effects are far reaching. Let us do more to protect the victims of scams. It is the least we can do.

1.23 pm

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): I wholeheartedly congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) and my hon. Friend the Member for Solihull (Julian Knight) on securing this important debate. I know they have a long-standing interest in tackling scamming, especially when vulnerable individuals are the intended victims. They have set out the wide range of harm that fraudsters and scammers can cause. I assure the House that tackling scams is a priority for this Government. Scams can have a devastating impact, particularly on the most vulnerable people in society. Mass marketing frauds can affect any one of us, at any time. We are more likely to be a victim of fraud than of any other crime, but when caught out we can sometimes feel ashamed or not want to admit we have been hoodwinked. That, however, can make it hard to get a full sense of the problem. It is really important that we do all we can to understand it and respond, which is why I welcome this debate.

We know that older people are more at risk. The National Trading Standards scams team says that the typical person it provides support to is 74 and living alone. That is why I welcome the work of Bournemouth University and the Chartered Trading Standards Institute to investigate the impacts of scams on older people. Their report on financial scamming earlier this year set out clear recommendations for action by the Government, by charities and by private institutions such as banks. As much of the debate today is focusing on the report’s recommendations, and I will address them directly.

The first recommendation was for all agencies, including banks, to recognise their duty of care to those with dementia and to take measures to protect them. The second was to strengthen rules on data protection to reduce the risk of vulnerable people ending up on so-called suckers lists used by criminals to target their scams. The third was to introduce safeguards at banks and building societies to prevent those who feel at risk of scams from losing large amounts of money.

Dr Julian Lewis: I thank the Minister for the interest she has taken in this issue. I know from personal experience that it is difficult to get a bank to take action unless someone has already given power of attorney, as I said in an earlier intervention. When this happened to someone very close to me and I told the bank concerned that I needed to be tipped off if there were any unusual withdrawals, nothing really happened until a particularly alert cashier, on her own initiative, did that. After five years, I eventually got success: the fraudster was forced to repay all the money and to pay the costs of the case. Therefore, will the Minister do everything possible to
persuade banks, if a power of attorney is not in place, to have procedures in place if a worried close relative asks them to monitor irregular or unusual withdrawals and let them know?

Sarah Newton: I thank my right hon. Friend for raising that constituency case. It reflects the point that my hon. Friend the Member for Solihull made that some banks have good procedures in place and some do not, and that some staff have been well trained and some have not. We need to ensure that every person working in the bank is as good as those identified by the Nationwide, which my hon. Friend mentioned. I will come on to address the wider point: what more banks and building societies can do to protect their vulnerable customers.

I am pleased to report that the Government, regulators and private companies are responding strongly to the recommendations that I have outlined. The Government have taken action more widely on nuisance calls, including a new requirement for all direct marketing callers to provide caller line identification. That came into effect on 16 May. The measure increases consumer choice, by making it easier for people to identify direct marketing calls and to choose whether to accept them. It will also increase the Information Commissioner’s Office’s ability to investigate such calls.

Members may also be aware that, in the Queen’s Speech on 18 May, the Government announced their intention to bring forward a Digital Economy Bill. Among other legislative changes, it will introduce a measure making it a requirement for the Information Commissioner to issue a statutory code of practice on direct marketing.

Dr Wollaston: I wonder whether the Minister in the legislation will also address the fines that are meted out when people breach the rules. She may be familiar with the case of Pharmacy2U, which, disgracefully, sold the details of more than 20,000 of its customers, many of them very vulnerable, to marketing companies. The fine of £130,000 is derisory and no meaningful deterrent.

Sarah Newton: As always, the Chairman of the Health Committee makes a powerful point, and I am sure those responsible for drafting these measures will take them into careful consideration, ensuring that the scope of the measures captures some of the very harmful behaviour of scammers and fraudsters and that there is sufficient deterrent to those considering undertaking these crimes from the regime of punishments put in place, including fines.

The overall aims of the new code of practice will be to support a reduction in the number of unwanted direct marketing calls and to make it easier for the Information Commissioner to take action against organisations in breach of the direct marketing rules.

Secondly, the Government-funded national trading standards scams team is working with the British Bankers Association, the Building Society Association and others to produce a new national banking protocol for doorstep crime and other scam issues discovered at branch level. The Financial Conduct Authority is building on this. Its ageing population strategy will consider how older consumers engage in financial services and make best use of the products and services they use. The FCA intends to release a regulatory strategy and recommendations by 2017.

Justin Tomlinson: My hon. Friend mentions trading standards services, and may I ask her to praise the work of both Poole and Dorset trading standards, which do such a good job in this area? However, they can only do their work if the victims come forward; that is the only way in which successful prosecutions can be secured. So I invite her to continue her work with trading standards and to highlight the important work they do to ensure we get prosecutions.

Sarah Newton: My hon. Friend raises an important point. My own trading standards team in Cornwall, like that in Poole, does an excellent job. In addition to the vital work they do in all our communities, they are supported by national bodies—one for Scotland and one for England and Wales. A lot of this activity is related to organised and serious crime, and these national bodies do make sums of money available for support where we are seeing particular instances of scamming in communities. That national and local working is a very good model.

Following scandals in 2015 that highlighted unacceptable charitable fundraising practices, a new Fundraising Regulator has been established. Chaired by Lord Grade of Yarmouth, this independent regulator is tasked to set high standards of fundraising practice and to deal with public complaints when those standards have been breached. It has a range of sanctions and can refer serious non-compliance or abuse to the relevant statutory regulator.

The scams team has also been working in partnership with Royal Mail and other postal operators, training over 2,000 postmen and women to spot scam letters. Already over 700 vulnerable households have been identified and are getting support. Even more importantly, contracts to carry the mail are being cancelled, stopping the letters from getting to their intended victims in the first place.

Enforcement is important in tackling this crime. That is why the Home Office launched a joint fraud taskforce in February this year. The taskforce includes, among others, the City of London police, the National Crime Agency, Financial Fraud Action UK, the Bank of England, National Trading Standards, CIFAS, as the hon. Member for North Ayrshire and Arran mentioned, and Age UK. The taskforce is a good example of the approach we are taking to crime prevention. This is very much the focus of the modern crime prevention strategy the Government published in March this year. Its key themes are about working together to understand the drivers of crimes—why and how they are committed—and then working together to try to stay one step ahead of the criminals to prevent more crimes from happening in the future. The work of the taskforce oversight board is an excellent example of such collaboration, bringing government, law enforcement and industry together in a focused way to develop a clearer and common understanding about the changing nature of fraud and how we can all take action against it.

In its first few months the taskforce has demonstrated that it works. Improved data sharing has led banks to close hundreds of accounts linked to fraud; bank branches in London, alongside the Met and trading standards,
are introducing a new fraud intervention, and prolific fraudsters have been arrested since the launch of a new campaign in July.

I can assure hon. Members that the Government regard tackling scamming as a priority, and we will continue to work with national and local partners to address the issues raised today and to do everything we can to prevent the horrendous consequences of the scams we have heard about and to enable more of the good work we have seen.

I want to highlight one extremely good example I came across from Trading Standards Scotland. It funded and co-ordinated a project to install over 200 call-blocking devices in vulnerable consumers’ homes. These devices block 95% of nuisance calls. The impact of preventing scammers from reaching vulnerable and elderly people should not be underestimated. Trading Standards Scotland estimates the resulting saving to individuals and the public purse is between £3,000 and £7,000 per call-blocker.

But really what we are here to do today is to think about the effect on people, and I would like to read a quote from one of the beneficiaries of the scheme that illustrates the true human value. She says:

“I have got my life back. I am nearly 70 and I think how did I let people get me like this? My son is ill and cannot protect me. I have had to get police protection in the past for nuisance calls. Now I can protect myself—it is marvellous. I feel in control. We have had to get police protection in the past for nuisance calls. Now I can protect myself—it is marvellous. I feel in control. We can sit and have a cup of tea without being disturbed. The dog is even less stressed.”

In conclusion, I repeat my thanks to the hon. Member for North Ayrshire and Arran and my hon. Friend the Member for Solihull for securing this important debate. I will be listening intently to the contributions of all Members today, and I can assure them of our utter determination to tackle this dreadful criminal activity.

1.36 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I congratulate my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) and the hon. Member for Solihull (Julian Knight) on securing this debate on a subject I must confess I did not know nearly enough about. But I do know now that my own constituency is affected by scams in the same way as are many other hon. Members.

One of the local police divisions informs me that the main scam taking place there is one that has been referred to in this debate. Crooks pretend to be from the bank and state that unusual activity is happening on the victim’s account. Information is requested, and then a so-called safe account is set up, and the victim is asked to transfer the money to that new account, which, of course, is almost the opposite of safe.

A local officer there, PC Blades, informs me that “we are talking about large sums of money being taken”, with an equally large impact on the victim. He also confirms that it seems that “a lot of fraud activity goes unreported as persons feel ashamed at being caught out with such scams.”

Tragically, as we have heard, this is the picture across the country, with the average victim being 74, and the average loss £1,000, but with many losing much more, yet only 5% of victims report being scammed to the authorities. I have been astonished to learn about the scale of the problem—the number of people losing out, the financial losses resulting, the range of industries affected, the different types of scam, and the techniques and technologies employed, from vishing to phishing and cold calling to copycat websites.

The only thing that is less of a surprise is the personal distress and misery caused, which Members have eloquently described. I, too, was horrified to read that victims of mass marketing-type fraud in particular are often placed on so-called suckers lists and their details are then sold on to other fraudsters, increasing their risk of becoming a repeat victim. So anything that can be done to clamp down on that practice must be done.

This is all rather depressing reading, so how do we set about that task of preventing scams and bringing perpetrators to justice? We all have a responsibility in raising awareness by highlighting ScamSmart or Know Fraud, by supporting Scorpion or Pension Wise, and by backing campaigns such as scam awareness month and the excellent “Avoiding scams” information leaflet from Age UK. I confess that Action Fraud had barely entered my consciousness until a few months ago. By introducing this debate, hon. Members have made me determined to ensure that as many of my constituents know about it as possible.

The messages that we have to promote are not particularly difficult ones, but they are easy to forget under pressure, particularly for vulnerable people. The first message, which other hon. Members have mentioned, is that if it sounds too good to be true, it probably is—certainly if a cold call is involved. I know that we will be returning to that issue next week. Another message is that people should take expert advice, and the local citizens advice bureau will be happy to help. Also, people should not be afraid to doubt someone’s honesty when they are being asked to part with cash. Unfortunately, a lot of people find that difficult.

Julian Knight: I appreciate what the hon. Gentleman is saying about the information from the local citizens advice bureau—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. A load of time has been used already and we have an oversubscribed debate next, so it is unfair to use more time making interventions. Does the hon. Gentleman really need to intervene? I think that he was hoping to speak for two minutes at the end anyway.

Stuart C. McDonald: Thank you, Mr Deputy Speaker.

The point I was making is that we should encourage vulnerable people not to be scared about doubting someone’s honesty when they are being asked to part with cash. The fact that they are scared to do that is exactly what makes them vulnerable. We must encourage them to see that there is no downside to challenging someone in that way, because honest people will not be upset by such action. We must also encourage people to report any scams. That could help them to see justice being done and perhaps even to gain some redress. It will also help to prevent other people from falling victim to such crimes.

All this awareness raising can take us only so far, however, when the range and sophistication of scamming activity is increasing all the time. It cannot be relied on
to protect significant numbers of people in those crucial moments when they are being hounded for their cash. Going beyond awareness raising, the proposals from the organisations to which the Minister referred, including Bournemouth University and the Chartered Trading Standards Institute, along with those that we have heard from hon. Members today, all provide powerful pointers for Governments at all levels about what further steps could be taken.

The opt-in procedure that my hon. Friend the Member for North Ayrshire and Arran mentioned is an attractive proposition. It could involve placing a 24-hour stop on any significant transaction or group of transactions relating to a vulnerable person’s bank account, during which time a nominated representative could be contacted to provide an opportunity to challenge the transaction. In short, it should be as close to impossible as it can be for a vulnerable person to transfer the entire contents of their account to somewhere else without major questions being asked.

We also need to think about considerably increasing the resources that we invest in tackling this problem, using not only public money but the time and money invested by companies to protect their most vulnerable customers and clients. For my own part, I shall happily sign up to be a “scambassador” and I know that many other hon. Members will do so if they have not already. The fight back against these wicked and callous fraudsters deserves all the support it can get.

1.42 pm

Nusrat Ghani (Wealden) (Con): I thank my hon. Friend the Member for Solihull (Julian Knight) for bringing this important debate to the Floor of the House. I am going to focus on scams targeted at the elderly. As chair of the all-party parliamentary group on older people and ageing, I hosted the launch of the first report of the Sussex Elders Commission. This was the first listening exercise of its kind for older people, and it received almost 2,500 responses from elderly residents of Sussex about policing, crime and community safety. It asked them about their concerns and what they feared most about staying safe. Their concerns about scamming were profound.

Based on projections from national data, the commission estimated that there could be as many as 13,000 cases of elder abuse in any given year in Sussex alone—two counties with a combined population of only 1.6 million. For example, the commission heard that one man’s elderly brother was dying of cancer and quite frail. He was persuaded to pay £2,000 for essential roof and damp repairs, but the only work completed was some painting over of the damp. A couple aged 85 and 86 were scammed out of £8,000 through a postal scam, and their daughter lost money in the process of trying to recover the funds. Another woman was charged £450 for a minor building repair that was subsequently valued at £30.

Scams targeted at elderly people purposely target vulnerable people. The perpetrators see them as more trusting and less inquisitive. They may be less mobile and more easily cornered. Perhaps they are lonely and isolated, and therefore more welcoming of contact from other people, whether strangers or not. They might just be keener to ensure someone leaves them alone, and therefore more willing to pay a price in order to get rid of them, just because it is easier. Also, some older people might not have all their faculties and might not be aware that they have become a victim of a scam.

The scammers formulate a scheme designed to prey on those characteristics, particularly the vulnerability and isolation of older people. Even worse, they are able to pull this off while the victim is at their own front door, sitting in their living room using their own phone, opening their own post or responding to what seems like a personal email. As a result of the impact of such scamming, one in five older people in Sussex is afraid to answer the phone in their own home. These scams are carried out not only by strangers in far-flung countries or nearby communities, but by members of the victim’s own family, or perhaps by a carer or close friend. An investigation by The Times earlier this year found that adult social services had received allegations of 21,935 cases of theft and fraud against elderly victims in the 12 months to March 2016.

I welcome the Home Office’s creation of a joint fraud taskforce in February this year to develop better solutions to address the increasingly common nature of these types of crime. Age UK is also doing very good work, including in my own county of East Sussex where the average high-risk victim loses £23,000 over a three-month period. It provides support services to victims, with an individual support plan to address their needs, including advice on handling unexpected calls. But as a society we also need to do more to encourage family members to better protect and look after their elderly relatives. For example, investing in hidden cameras for an elderly relative’s home can make it easier for the police to catch regular perpetrators. One of the big issues at the moment is that it is too easy for them to get away with it and repeat the crime. We have heard a lot about call blocking technology, but it is incredibly difficult for older people to install it themselves, so we should urge family members to do that for their elderly relatives.

We have heard about a duty of care, whether on the part of postal workers or of bank staff, and I believe that that should go further. I suggest that scams targeting the elderly be re-categorised as an aggravated crime, because they specifically target a vulnerable person. This could form part of a new type of crime named elder abuse, and I appeal to Members to support my campaign to change the law to recognise this new type of crime. We already treat child abuse as a separate crime, and while I obviously recognise the real differences between physical child abuse and scams against the elderly, both are especially repugnant because they target those least able to defend and protect themselves.

San Diego in America has an official elder abuse prosecution unit. As the Ministry of Justice conducts its review of sentencing, I would strongly encourage it to make elder abuse a priority focus. We should draw on initiatives such as the one in San Diego, where the reporting of elder abuse is mandatory. Referrals follow a checked process which makes it easier to collect evidence and to prosecute, and caseworkers are assigned to any older person who is seen as the victim of abuse or a scam. Anyone who betrays the trust placed in them by the elderly, or who specifically targets the elderly because they are trusting—
1.47 pm

Chris Elmore (Ogmore) (Lab/Co-op): I want to congratulate and sincerely thank the hon. Members for Solihull (Julian Knight) and for North Ayrshire and Arran (Patricia Gibson) for securing this debate today. We have heard already about some atrocious cases of scamming that have affected the most vulnerable in our communities. Scamming in the UK has an average financial detriment per person of more than £1,000, but some victims have been forced to re-mortgage or even sell their homes to cover the cost. I would like to draw the House’s attention to the issue in Wales. From April 2015 to May 2016, 8,774 instances of fraud were reported in Wales, but it is estimated that only 5% of scamming victims report being scammed to authorities, so the reality is far worse.

I would like briefly to highlight one scam that has affected a number of my constituents. Residents have been targeted with an automated voicemail message claiming to be from Her Majesty’s Revenue and Customs and warning of an impending lawsuit. After being asked to press 1 to speak to a caseworker, a person then asks for certain personal details such as national insurance numbers, which are then used to commit fraud. Claiming to be from HMRC is a common tactic used by criminals and, unfortunately, it is often successful. I have had constituents contacting my office in tears, ashamed to have been caught out and unclear as to where to go to report what has happened to them.

Many would argue that scamming is at crisis point in some constituencies, and the crisis will only worsen if it is not given the necessary attention. We have an ageing population, many of whom are living with dementia, which is due to increase in the coming years if we believe health experts, and scammers are deploringly exploiting the condition of many elderly people.

Fraudsters also have new avenues to explore. Statistics from Financial Fraud Action UK show that 58% of people have received suspect calls—an increase from 41% in the previous year. It is difficult to assess the exact extent of scamming because so many victims choose not to report such crimes, but we can say with near certainty that it will increase. The Office for National Statistics predicts a 35% increase in elder abuse by 2030. We must recognise this tremendous problem, and I am glad that the House has had the opportunity to highlight it today. It is our duty not only to draw attention to scamming and its effect on individuals, but to look for the solutions.

Sufficient investment in support for those falling foul of such crimes is crucial. Groups such as trading standards continue to do excellent work, but budget cuts mean that they cannot reach their potential. Call blocking projects across the UK have done wonders to tackle the issue, but they can continue only with sufficient funding. It is unacceptable that, according to the Chartered Trading Standards Institute, there has been a 53% cut in front-line officers at trading standards services since 2009. It cannot be denied that that has contributed to the issue, and further cuts will only worsen the situation.

The Government must invest not only in services to help the victims of the crimes we are discussing today, but in the police to allow them to raise awareness of the problem.

In the scam in my constituency, South Wales Police worked locally to let people know about the issue through social media, reaching hundreds of thousands of people across the area. The Government must make suggestions about further steps to tackle such criminality and cuts cannot continue without consideration of the consequences. I am glad that Members from both sides of the House are in the Chamber today to discuss the issue, on which there is clearly considerable consensus and common ground, but we cannot ignore the fact that Government cuts have contributed to the dilemma. I urge the Government to examine the issue, in particular the role that cuts are having on the ability of front-line services to tackle the problem.

1.52 pm

Martin Vickers (Cleethorpes) (Con): I congratulate my hon. Friend the Member for Solihull (Julian Knight) on securing this important debate. Like all Members, I have experienced constituents at my surgery tearing their hair out, almost in tears, following scams. If time permits, I want to focus on two particular cases. Both were perpetrated against professional people who did all the appropriate checks, and I want to highlight that they feel let down by the investigatory and regulatory authorities. One couple lost £19,000 as a result of an investment in a carbon offset scheme, and the others lost £38,000. The reality is that if those couples had lost such amounts by having their homes burgled, it is fair to say that they would have had a much more positive response from the police and other authorities and would certainly have had an investigating officer whom they could contact personally.

The first case was reported to Action Fraud, but the correspondence that the couple received amounted to this:

“Please find attached a copy of the Crime report as requested. We advise you to keep this information safe”.

The letter indicated that further advice can be found on Action Fraud’s website and ends:

“Kind regards, Claire”.

That does not inspire much confidence. As the investment was US-based, my constituents, in despair, sought support from US authorities. I must congratulate the New York police department, which actually looked into the matter and came back to them. A Lieutenant Phelan emailed the couple, giving his personal contact details, which was at least a positive and helpful response.

I received an email from those constituents, which reads:

“My reason for writing is that there appears to be very little of a practical nature the UK government is doing to support the victims of this crime.”

Based on what the Minister said, it is fair to say that we are now getting a more positive response, and I point out that this email was written in 2014. It continues:

“We fell victim to the approach of a Wealth Advisory company based in Switzerland at a time when we had a sum of money to invest and were looking for an ethical investment...I did as much research as I could on the company and on this potential investment and found little to deter us despite my misgivings about the cold calling...When I contacted the FCA, they were polite but disinterested. They said they would be in touch with me and asked if I would be willing to give further information...I have heard nothing further...They advised me to contact the local Police...I submitted a report to Action Fraud.”
My constituents were told by the local police that they could not investigate further until ActionFraud referred the matter back to them. They went on to say:

“I appreciate we have been gullible but, if this has happened to us, I have no doubt it has happened and will continue to happen to others.

I wanted you to know about the inadequacies of the support offered to the victims of this particular type of crime.”

The second case involved a familiar scam that used the name of a well-established and reputable organisation, copying its contact details, letterheads and so on, as we heard earlier. Personal contact was made between three supposed investment brokers and my constituents, who became friendly and familiar with them, building up the confidence that they could invest safely and, again, doing all the appropriate checks. However, they were also referred to ActionFraud. I understand from my question at Home Office questions on Monday that ActionFraud is being encouraged to ensure that more referrals go back to the local police force so that action can be taken. I urge the Minister and her colleagues to do what they can to ensure that our police and regulatory authorities take a much more serious approach when people lose their life savings.

To be fair, following my correspondence with ActionFraud, I have been invited to a programme run by the City of London police to inform me of its activities, so I hope that I will be able to report something more positive.

1.57 pm

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): The hon. Member for Solihull (Julian Knight) made mention of the Chartered Trading Standards Institute, and I recommend its website to anyone seeking more information. Victims tend to be elderly and therefore less likely to use the web, so we must ensure that all mediums are used to get the message over. I trust that the Minister will take note.

One of my elderly constituents recently told my senior caseworker about an unsolicited call he received from a company claiming that his property’s council tax banding was incorrect and that it could secure him a rebate for a fee of £69.99. It immediately took payment from his debit card over the phone, but—surprise, surprise—my constituent then received a letter from the company stating that it could not secure a rebate. The Lanarkshire joint valuation board, which is responsible for setting the council tax bands, could have checked whether the banding was correct at no charge. Therefore, the “service” offered in the original, unsolicited telephone call was completely unnecessary. I am deeply concerned and further troubled that other vulnerable constituents may be affected by the company and its questionable practices.

My research staff looked into the history of the company, which hid behind office moves and changes of directorship. I wrote to the company, raising my concerns about its business practices and requested a refund for my constituent, but the response was lamentable. My office then reported the situation to the local trading standards team at North Lanarkshire Council, who were extremely helpful. After chasing the company for a refund, they visited my constituent and, after assessing the situation, fitted a telephone screening device to prevent further unsolicited sales calls—exactly one of the devices mentioned by the Minister. Unfortunately, because my constituent used a debit card not a credit card to pay the fee, he was unable to get the money back. Many elderly and vulnerable adults do not have a credit card but, as most of us will know, there is enhanced consumer protection when using one.

Through another case, I have been made aware of a company based in my constituency that has a record of dubious sales practices throughout central Scotland. The company came to my attention when the family of a 79-year-old man, whose wife suffers from dementia, contacted me. The company made an unsolicited visit to the vulnerable couple, offering an external cosmetic service for their home. After taking an initial £800 deposit, the company signed the couple up to nearly £6,000-worth of unnecessary cosmetic work to their home. So keen was it to get the money out of this vulnerable couple that the company did not even check whether they owned the property, which they did not.

Further research into this company shows that they claim to offer a 10-year guarantee, but on closer inspection of company records a pattern becomes clear. The business practice is to have several companies, with similar names, offering exactly the same services. The directors then fold the company when the heat becomes too great, moving their main business over to one of their many other companies, always with the same two directors in charge. The guarantees are therefore not worth the paper they are written on. That sharp business practice also has a knock-on effect within communities, as it creates reputational risk to other bona fide companies.

In an increasingly competitive market, it is difficult for consumers to work out which companies are trustworthy and which are untrustworthy. Unfortunately, many consumers believe that a 10-year guarantee shows that a company is trustworthy, but in the case of this company, nothing could be further from the truth. I also feel for the staff employed by such charlatans, as they, too, may be unaware that the business is built on sand.

I therefore fully support the hon. Member for Solihull and my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) on this, and urge the Minister to show the leadership needed to co-ordinate a strong, public service response to these despicable practices.

2.2 pm

Mary Robinson (Cheadle) (Con): I congratulate my hon. Friend the Member for Solihull (Julian Knight) and the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing this important debate. Financial scamming and fraud has a devastating impact on the elderly and the vulnerable, and we have heard today, from Members on both sides of the House, stories of both financial loss and the incredible mental distress caused to people, many of whom are among the most vulnerable in our society. Each of us will have constituents who have lost significant sums of money to scams, with many falling victim because they are too trusting, because they underestimate the maliciousness of those who perpetrate these crimes or because they are subjected to a continual bombardment of nuisance calls and, in desperation, give in.

Scammers are highly organised, predatory and exploitative. Yesterday the Stockport Express, my local paper, reported that so far this year almost 300 people
have fallen victim to fraud as a result of cyber-fraud, nuisance calls and bogus traders. In my constituency, trading standards have warned of a recent scam where constituents receive a call claiming they have paid excessive council tax and are encouraged to part with personal banking details in order to gain a refund. Victims cannot even trust the numbers on their phones to be genuine any more, as highlighted on last night’s BBC1 programme “Rip Off Britain”. This shocking new scam allows fraudsters, with the aid of a simple mobile phone app, to phone victims under a number that appears to be genuine—like a bank’s—and helps persuade them to part with sometimes large sums of money. This type of crime is becoming even more sophisticated as criminals are able to “ghost” phone numbers and hijack genuine phone numbers, so they appear legitimate. It is important that we continue to take steps to address these new types of fraud, as and when they appear.

People who are ill, isolated or lonely are particularly affected by these types of crimes, as the internet or phone line may be their only link to the outside world. Leaving aside the financial loss, their feeling of safety in their own homes is undermined, and they often become more isolated and distraught. I welcome the initiatives that have been put in place to tackle this type of crime, such as setting up the joint fraud taskforce earlier this year, and I look forward to hearing about its achievements and the actions that have been taken to identify intelligence gaps and vulnerabilities. I am pleased that there will be a better co-ordinated approach to the sharing of intelligence between banks and law enforcement agencies, which will address areas currently exploited by fraudsters. I look forward to hearing from the Minister in due course what progress has been made in the few months it has been established. It is vital that we raise awareness about this important issue, so that those at risk can spot scams and protect themselves. I welcome the work of groups such as the Chartered Trading Standards Institute and its “scambassadors” programme, which I support.

I want to take some time to address the language of scams, which was referred to by my hon. Friend the Member for Solihull. The word “scam” implies an idea of culpability or negligence on behalf of the victim, and may change how people view the nature of the crime committed against them. We say that people have been “scammed”, “conned” and “cheated”, but overwhelming these people should be described as what they are: good, honest people who are the victims of the most heartless fraudulent crime. As a result, the probability that the fraud will be reported decreases, as the victim feels embarrassed, ashamed and guilty.

Finally, I just wanted to mention the importance of a long-term strategy. The elderly as a demographic group is increasing in size year on year. That, combined with changes in pensions drawdown handing capital to people earlier, means that the severity of this, and the necessity for greater protection and awareness, is more profound. Therefore, as we prepare for an ageing population that has greater access to capital in an ever-evolving technology-dominated industry, we must ensure that the most vulnerable in society receive the appropriate support and assistance to protect them from falling victim to these devastating crimes.

Mike Wood (Dudley South) (Con): Dishonest individuals have always sought to deceive and to take advantage of the most vulnerable in society. Sadly, as our world has increasingly moved online, transforming the way we communicate, do business and live so much of our lives, many fraudsters have used the same technologies to increase their activity and come up with ever more elaborate ways of defrauding vulnerable people. Action Fraud estimates that about 70% of fraud is either conducted online or is cyber-enabled. For most of us, casework relating to scams probably makes up a relatively small amount of our postbag and email inboxes, but that does not mean that this is not a sizeable problem. Clearly, many of the people most at risk of fraud and scams are also among the least likely to come forward to their MPs or to the police and other agencies.

Sadly, I do not need to speculate on this matter, as shortly before I was elected a member of my family received a letter that was apparently from the Serious Fraud Office and that said—this is ironic—that it needed help to catch some serious fraudsters. There was a telephone number supplied, which, when rung, gave details. Unsurprisingly, what was needed was some money to be transferred into an account, which could then be used as some kind of “trap” for the “fraudster”. Unfortunately, my relative wanted to help the authorities and so transferred the money. Of course, there was then another call saying, “Thank you very much for that. We just need that bit more money.” This went on until, fortunately, the one time she went into a post office branch the lady behind the counter, who knew my relative and knew that this was not normal conduct, contacted another relative with her concerns. So this was finally stopped, but only after several thousand pounds had been lost—it still cannot be recovered. More importantly, this has left my relative, who has always been a proud, intelligent and independent person, seeing herself as clumsy and being embarrassed; she feels stupid to have been taken in in such a way.

We, as a must society, must play our part in protecting the most vulnerable, and that includes protecting them against fraudsters, online and otherwise; local authorities, the police and politically and technologically savvy members of our communities must be involved in this. I was heartened to hear my right hon. Friend the Prime Minister authorise the expansion of police volunteer roles, so that individuals with digital skills are able to support police digital investigations by providing the technical expertise to cyber and digital units. That scheme has been piloted in Hampshire and Gloucestershire, and I hope to see it expanded much more widely around the country.

There is much more that can be done in partnership with financial services to trace these criminals. We are all familiar with the necessary anti-money laundering regulations. For anyone wanting to set up a current account or to change signatories on a voluntary organisation’s bank account, navigating the endless paperwork can feel like an interminable process, and yet it is apparently impossible in many of these cases to trace the bank accounts into which these transfers have been made. It is even less likely that any of those moneys will ever be recovered. Surely, it is not beyond the wit of man or of the people running these financial institutions to do much more to enable those accounts.
to be traced. It is simply not acceptable that victims and vulnerable people are left scared in their own homes. Online threats have changed, and the way that we respond to them must change so that we can protect vulnerable people in our communities.

2.11 pm

Carolyn Harris (Swansea East) (Lab): I wish to congratulate the hon. Members for Solihull (Julian Knight) and for North Ayrshire and Arran (Patricia Gibson) on securing this most important debate. I also pay tribute to all those who have spoken today as their contributions have helped us to discuss this very important issue.

Scamming is an increasing problem in our communities, mostly targeting the elderly and vulnerable. The average age of a scam victim is 74. Given that the Office for National Statistics predicts that the number of elderly people in our communities will increase considerably to more than 15 million by 2030, the potential number of scamming victims is likely to increase as well.

It is not only the financial loss that causes pain, but the severe psychological and emotional wounds that can take considerable time to heal. Victims will inevitably suffer financial loss, and very often depression or even relationship breakdowns. What is terrifying is that, potentially, a third of all victims of scams will fall prey to another scam within 12 months.

Mass-mail scams alone cost the UK consumer between £1 billion and £5 billion every year, with an average loss per person of £1,000. It has been known for victims to lose up to £1 million of their savings. This week, a gentleman told a drop-in for scam awareness that he had lost his home to a scammer. There are more than 190 trading standards services across the UK, each working to tackle scams in their area. However, cutbacks and budget pressures mean that the number of officers working on the frontline has fallen by 53% since 2009. Some service areas are running with fewer than one professionally trained member of staff.

The current budget for trading standards services across the UK equates to just £1.99 per person per year. These local teams are in place to step in when a victim of a financial scam is identified and to work with the police to help bring justice. However, the fact that only 5% of victims report crimes, often due to embarrassment, means that criminals continue to scam vulnerable people of their savings with little consequence.

The National Trading Standards scams team was founded in 2012 and identifies vulnerable individuals to the local authority teams by using captured criminal databases. The team shares a £13 million target along with other financial crime teams, which is shockingly low when we consider that financial scammers cost UK consumers between £5 billion and £10 billion every year. National Trading Standards could tackle this issue more effectively in partnership with other Government agencies, such as adult social care and the police, by sharing intelligence and safeguarding victims. However, both bodies are experiencing their own limits on resources, reducing the opportunity for partnership with National Trading Standards. Safeguards against scams, harm and abuse need to be an integral part of care and support. This is a perfect example of this Government cutting funding to vital services, which has a detrimental effect on the public.

A vital tool in combating financial scams is consumer awareness. Many websites sell direct marketing leads to any purchaser without restriction. Many websites allow people to purchase lists of personal details for “market research”. However, those people do not necessarily have to represent a business to use them. One such site that I identified was Targets Located, which has a top 10 of people to be scammed. Disabled car buyers is at No. 1, with 390,000 people receiving the high rate mobility component of DLA—they are ripe for the picking. Second is high-stake shareholders. The third place belongs to people who regularly donate to charity. Such sites are making sure that, for a small fee, people can acquire the personal details of the most vulnerable people in our society. Regulation on the sale of personal data would dramatically reduce the number of vulnerable people falling victim to financial scams.

To tackle the issue of scamming, the Government seriously need to review police funding. Police resources are already suffering as a result of police budgets decreasing year on year. Should that be allowed to continue, we will see more scams being carried out in all our communities. Co-operation between trading standards and the police is vital but it can only happen if both services are given the funding for resources that they so desperately need. We have a moral responsibility to protect the elderly and vulnerable in our society. We must ensure that the resources to do that are made available to the professionals who have the skills to best offer this protection.

2.17 pm

Julian Knight: I thank all Members for their contributions to this debate. The variety of stories and concerns highlights the fact that this subject touches so many of our constituents, and, in some instances, our immediate families. I welcome the Minister to her place and her commitment to focus the Government on tackling this most cruel and silent of crimes. This issue concerns not just Government, but private firms, the third sector and the wider society in general. Fraud will always be there, but we can make it harder for those involved if we act together.

Question put and agreed to.

Resolved.

That this House believes that the elderly and vulnerable are a high-risk group from having harm done to their financial, emotional and psychological wellbeing from criminals who target them with scam calls, post and visits; praises the work that trading standards bodies do to combat scams; calls on financial institutions and the communications industry to put in place mechanisms to protect potential victims from scams; further calls on the Government to recognise the threat from scams to victims’ ability to live independently; draws attention to the measures proposed by Bournemouth University, the Chartered Trading Standards Institute and National Trading Standards Scams Team on financial harm as useful first steps in tackling such scams; and calls on the Government to make suggestions on further steps to tackle such criminality.
Fourth Industrial Revolution

2.18 pm

Mr Alan Mak (Havant) (Con): I beg to move,

That this House acknowledges that the UK is in a strong economic position to take advantage of the Fourth Industrial Revolution; welcomes the view of the World Economic Forum that fusing physical, digital and biological technologies can promote further economic growth; notes that small and medium-sized businesses across the country contribute invaluable expertise and market leadership; and calls upon the Government to continue introducing and supporting policies that keep the UK at the forefront of this revolution in the future.

I thank the hon. Member for Hove (Peter Kyle) and other Members across the House for supporting my application for the debate, and the Backbench Business Committee for giving me the opportunity to bring the motion before the House. I believe that this is the first time that the topic has been debated in the Chamber.

Two hundred and fifty years ago, the world’s first industrial revolution began here in Britain. New engines driven by coal and steam made manufactured goods and allowed them to be transported across the country on new railways, roads, bridges and viaducts, heralding a new era of British industrial strength.

Now, 250 years later, after two further industrial ages, driven first by electricity and then by electronics and the internet, we stand on the cusp of a new, fourth, industrial revolution. Since the turn of the century, we have witnessed an unprecedented fusion of technologies that blurs the traditional boundaries between the physical, digital and biological spheres. This fourth industrial revolution is now accelerating, characterised by an exponential increase in automation, digital connectivity and technological innovation. Breakthroughs and new products in fields such as artificial intelligence, advanced robotics, the internet of things, driverless cars, drones, 3D printing and nanotechnology, to name but a few, have captured the imagination of the public and the attention of policymakers.

This revolution offers significant economic growth and productivity advantages to the countries that seize those corresponding opportunities, as well as new jobs, lower prices, more competition and greater product choice for consumers. These technological advances will also disrupt almost every industry in every country and pose profound economic, political and social challenges, especially to countries and communities that are unprepared or unresponsive.

At the global level, the World Economic Forum has taken the lead in exploring this issue. Indeed, the 4IR, as it has become known, was the theme at its annual meeting this year in Davos. At a national level, however, we in this House have a key role to play by leading the debate, understanding the opportunities and challenges, and making the 4IR a success for Britain. The fact that we have a new Government Department and new Minister recently in place, and a new industrial strategy, makes today’s debate all the more timely and relevant.

My view on the issue is clear. Britain is in a global race for economic success and we must actively seize the opportunities presented by the 4IR to drive economic growth, proactively shaping and harnessing the technological and social changes that it brings for the nation’s benefit. Britain can and should develop an early economic comparative advantage to become a world leader in the new 4IR global economy, but to do this, we must take a proactive, free market approach to policy formulation, and prepare for the impact of disruptive technologies, not just react to them. Put simply, we must make mastering the new 4IR a key part of the Government’s industrial strategy. Just as Britain launched the first industrial revolution 250 years ago, it can and must lead the new 4IR in this new century.

To understand the scale of the innovation that is taking place on a practical level, we should consider for a moment some of the new products and services that are already transforming the way we live and work. The 4IR’s key technological advances are pervasive digital connectivity, widespread automation, and advanced computer software based on machine learning and artificial intelligence techniques. All these give rise to a range of economically disruptive products and services, including driverless vehicles, robotic manufacturing and 3D printing. This shift from the simple digitisation of information that is so characteristic of the third industrial revolution to a fusion of technologies that will help businesses, streamline production, lower costs and deliver new products is truly revolutionary.

Kit Malthouse (North West Hampshire) (Con): Well done to my hon. Friend and county colleague for securing the debate. I recognise the technologies that he said underpinned the fourth industrial revolution, but does he agree that other technologies will revolutionise our lives, not least synthetic biology, in which we are a world leader? Will he support me in encouraging the Government and the Minister to revise the vigour that is needed for the eight great technologies policy, which the Government adopted not four years ago?

Mr Mak: I thank my hon. Friend for his intervention. I know that he has a long record of passionate activity in this field. I certainly support him in his aims, and look forward to working with him on that. I will mention those technologies later in my speech. What he said reflects the transition from the digitisation of information to the real fusion of technologies, whether biological, physical or digital. For example, it is already conceivable that entire factories could become automated, requiring only a constant supply of energy and raw materials in order to operate 24 hours a day. That certainly affects the biotech sector as well.

Similarly, the 4IR is already blurring the lines between manufacturing and the service sector as networked products make life easier for consumers. For example, smart boilers that monitor themselves to detect faults, call an engineer and even pre-order spare parts are already making their way into the consumer market.

This fast-moving and innovative environment to which my hon. Friend the Member for North West Hampshire referred also presents opportunities for Britain’s small and medium-sized enterprises, which are often the most nimble when it comes to job creation and launching new products. An excellent example comes from my Havant constituency, where local start-up Dream 3D is getting a head start in the 4IR economy by selling 3D printers and providing training about how to use them. The founder James Preen and his growing team have seized the opportunities presented by the 4IR to create new jobs in a new industry, selling new products and generating new wealth.
Tom Tugendhat (Tonbridge and Malling) (Con): I praise my hon. Friend for securing this extremely important debate. I suspect that we will come back to this subject many times in the coming decades, if not centuries.

Does my hon. Friend agree that one of the important things that we in the House need to begin to think about is a change to patent law? The UK has the principle that the first to file secures the rights. On that point about SMEs, does he agree that “first to invent” is surely the best way for securing a patent? If there is a wait for the first to file, we give an advantage to large companies that can afford to file many patents.

Mr Mak: My hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) makes a strong case. A strong legal regime, especially in respect of intellectual property, is certainly key to making Britain a world leader in the 4IR. I thank him for making that point, which is one that Dream 3D, the business in my constituency, is very well aware of. Its success has been predicated on protecting the work that it has produced. It is no surprise that its clients already include Rolls-Royce, Land Rover and Pinewood Studios. That said, larger businesses of the sort that my hon. Friend also mentioned can bring scale and expertise to innovative processes. Havant-based defence contractor Lockheed Martin, for example, has used its big data expertise to develop a new system called Mailmark that helps Royal Mail to track parcels more efficiently as the e-commerce economy grows.

It is clear that by embracing these new disruptive 4IR technologies, we can create new jobs, deliver new services and generate new economic growth. It is also clear that the countries that are best able to take advantage of the 4IR are those with nimble free market economies, low taxes and a competitive regulatory environment. I hope that the Minister, who I congratulate on his appointment, will confirm that the Government will continue to focus on pro-enterprise policies that will make Britain a world leader when it comes to starting and growing a business, particularly in the new 4IR economy.

I can offer three suggestions as the Minister and his new colleagues develop our new industrial strategy. First, the economic benefits of the 4IR must be shared throughout the country and not just concentrated in London or the south-east. Regional investment funds for 4IR technologies should therefore be made available to promote regional hubs that will stimulate growth and innovation outside the M25. I see local enterprise partnerships as key partners and potential funders in this process.

Secondly, Government should use their procurement power to buy British when it comes to 4IR products. Advanced economies such as Israel already play a key role in helping new sectors to develop, and our Government should do the same. Finally, Britain must continue to invest in its digital infrastructure, which is as essential today for our digital economy as railways were in the age of steam. This should include a new phase of the fibre optic broadband rollout and 5G mobile internet. I commend those suggestions to the Minister, and draw his attention to a forthcoming report from the Institute of Economic Affairs and the Free Enterprise group of Conservative MPs, which will set out more.

We should be clear that, while the 4IR will certainly bring economic benefits, it will also cause societal challenges, but by shaping the way in which the 4IR evolves, we can tackle these issues head on. For example, as automation increasingly substitutes for human labour, the displacement of workers by machines could result in short-term unemployment, especially in low-skill or low-wage sectors of the economy. The Government certainly have a role to play in dampening the downside effects of the 4IR, principally by bridging the gap between short-term unemployment and long-term prosperity, primarily through welfare, education and training policies.

We should be clear that the technology that I have talked about and the disruption that it may bring is not an external force over which we have no control. All of us in this House have a duty to be responsible and to help guide its evolution, so while Britain must grasp the opportunities of the 4IR, we must also shape and direct it to reflect a future and economy that involves our common objectives and shared values.

As the fourth industrial revolution gathers pace, we in Britain should embrace it, encourage its growth, harness its benefits and shape its evolution. We must act now to ensure that our political and economic structures are fit for purpose. From continued investment in digital infrastructure to reform of our welfare and education policies, the Government have a key role to play. At the same time, we must address the 4IR’s shortcomings, making sure that no one is left behind as we reshape our economy and society. This new industrial revolution must consist not of changes that happen to us, but changes that work for us all.

Throughout our history, Britain has adopted a pro-innovation approach to technological developments from farming mechanisation to domestic labour-saving devices. We have never allowed fears about the future to stunt our economic or social progress. We soon realised, for example, the folly of requiring early cars to be preceded by a man carrying a red flag, and we must adopt the same forward thinking, pro-innovation approach when it comes to the 4IR because here in Britain we reach for the future rather than just yearn for the past.

Just as before, the new wave of technological change can bring about substantial benefits from greater productivity, new jobs and lower production costs, to more choice for consumers through new goods and services. I hope that the Government will take that proactive and positive approach by placing the fourth industrial revolution at the heart of its new industrial strategy. In doing so, we can usher in a new manufacturing renaissance, launch a new industrial era built on high-quality innovation and, above all, give Britain the head start it deserves in the global race for success.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I suggest to Members that they speak for up to 10 minutes? Let us try and ensure that everybody gets the same amount of time.
2.29 pm

**Peter Kyle** (Hove) (Lab): Being called second to speak in a debate is a new experience for me; it feels like going to the airport and being upgraded.

I am grateful to the hon. Member for Havant (Mr Mak) for including me in the discussion that led to this debate and for allowing me to second the motion, which is a privilege. He spoke brilliantly. As we listened to him, we realised how exciting and exhilarating the idea of a fourth industrial revolution is.

There is one aspect of this revolution that should have every decision maker in our economy on high alert: the rapidity with which it is occurring. The fourth industrial revolution will sweep through our economy in a matter of years, rather than the centuries it took the previous industrial revolutions to unfold. Sadly, we have been fed a diet of automated cars and drones to deliver our groceries, which to those of us of a certain age has a certain “Tomorrow’s World” feeling about it. The truth is that this revolution is already under way. Consumers are already controlling their home heating and security with their mobile phones. People’s hand-held devices are controlling real-world events via the cloud. That is happening today, but we have barely crossed the start line in this race.

Microsoft alone is investing £5 billion in capital expenses worldwide to build data centre infrastructure, which gives us an idea of the scale of the transformation that is yet to come. Advances in nanotechnology, 3D printing and renewable energy are opening up a multiplicity of opportunities for medical, academic and industrial research. Our universities are rising to the challenge. Next year, for example, the University of Sussex will open a new £10 million centre for computing, robotic electronics and mechatronics. I would welcome an intervention from the hon. Member for Havant to tell me what “mechatronics” means; perhaps we can visit the University of Sussex and discover that together.

Although many of these new trends will be powerful enough to break through regardless of market conditions, there are several barriers that will need to be dealt with. The private sector will need to tackle the threat of data security. Cyber threats pose a real-world problem to those who have been affected by them and a psychological barrier to those who have not. The private sector must also invest in management skills to ensure that their businesses can be effectively led through this change. They must put aside the territorial needs of their business to ensure that the technologies work across platforms and geographical areas.

There are challenges that Governments must be active in supporting our economy to overcome. One is the infrastructure for the future economy—the internet. Internet speeds are increasing, but consumers and commerce are facing the future, the internet. Internet speeds are increasing, but consumers and commerce need reliability as well as speed. The biggest challenge that we must overcome is that of making sure that the next generation is equipped with the skills to contribute collectively to our economy of the future and personally thrive in it. There is a danger that the rate of change in our economy will not be matched by the ability to produce and retain the skills that are needed.

I am a supporter of the Government’s apprenticeship levy, but it is being rolled out too fast to ensure that the benefits reach all parts of our economy. Nowhere is that more acute than in the technology sector. Here, post-16 training is too late. Training needs to happen before 16, and preferably from primary school upwards, if we are to develop the programming skills and high levels of creative thinking that are needed by cutting-edge technology firms. Forcing large technology companies to pay for post-16 skills development could have the perverse effect of forcing them to divert funding away from pre-16 investment in schools and to end up recruiting from abroad.

The key goal is to equip our students and young people with the social, creative and academic skills that they will need in a fast-evolving economy. To date, this has not been achieved. I agree with the former Tory Minister, Lord Baker, when he says that the back-to-basics approach to the curriculum is preventing the social and creative development that we need. In a report for the Edge Foundation, which he chairs, he says:

“The government’s White Paper has a firm commitment for students to focus on seven academic subjects at GCSE – English language, English literature, maths, two sciences, a modern or ancient language, geography or history, plus probably a third science. This is word-for-word the curriculum laid down by the Education Act of 1904, though it added three subjects – drawing, cooking for girls, and carpentry or metalwork for boys.”

I have no doubt that had the right hon. Member for Surrey Heath (Michael Gove) remained as Education Secretary for just one more week, we would have had those three subjects on the curriculum as well.

The report goes on to say:

“We should not go back to a 19th century diet of academic subjects for all. All young people should make and do things as part of a broad and balanced curriculum.”

Emotional intelligence will be as important to the future economy of our country as academic intelligence has been in the past. According to the Manufacturers Organisation, the EEF, staff skills are the No. 1 need of manufacturers. It is important to remember that the fourth industrial revolution is not only about the digital; it is also about manufacturing. Britain must have confidence as we move into this next stage of our economic life, and accept that we have the same potential to “make things” as we did in the first industrial revolution.

It was 30 years ago today that Margaret Thatcher opened the Nissan factory in Sunderland. [HON. MEMBERS: “Hear, hear.”] I pause to allow those on the Government Benches to celebrate. Back then, people thought our automotive industry was on its last legs. Now we know that it is one of the most advanced and successful in the world. Thirty years ago car doors closed with a loud clunk; today they do so with a soft click. That is because of the huge effort and expense that go into innovation and material design in our country and explains why this part of our economy can and must work in tandem with, not apart from, the revolution that is unfolding.

The manufacturing sector will contribute to and benefit from the fourth industrial revolution. It has a lot to offer and a lot to gain. The progress made by Jaguar Land Rover and Nissan since the 1980s shows what can be achieved in Britain’s foundation industries, including the use of metals and materials. This has the potential to benefit our new economy massively. From steel to ceramics, coatings and Graphene, this £200 billion sector has the potential to provide the innovation and materials that are strong and light enough to make the robotic dreams of tomorrow a reality. I sense my hon. Friend
the Member for Stoke-on-Trent North (Ruth Smeeth) twitching at the mention of ceramics, and I will be listening out for her contribution shortly.

However, this sector is omitted from the Government’s catapult centres, even though the potential for them to integrate with the technology sector is enormous. I hope the Minister will listen to the voices in this sector and play an active part in bridging any gaps there may be between the manufacturing and the technological sectors of the fourth industrial revolution. The benefits to this sector from the unfolding revolution are clear. Supply chains and production lines will move towards a system with end-to-end autonomous decision making by machines, continuous demand sensing, and better use of resources. In short, there will be less error, more efficiency and higher productivity.

Finally, I move to the other end of our economy, because this revolution will impact on the self-employed as well as the tech giants and the manufacturers. Between 2000 and 2015, the number of British people working alone rose by 73%. The largest growth has been in the service sector, primarily supplying education, health and business services. The fourth industrial revolution will transform these people’s connection, virtualisation, and cloud computing experiences. Huge power that has been available only to large companies and public sector departments will now be readily available to individuals. One person with the right skills and imagination will have the power and capacity to make a transformational impact in the economy of the future.

The challenge that we face is to make sure that this power is available to everyone from whatever background. I do not believe that entrepreneurial spirit was a gift to the middle classes; I believe it was a gift to humanity. But unless we equip every young person with the right skills, many will find the door to modern life and all its wonders slammed in their face. The time to ensure that that does not happen is now.

2.39 pm

Chris White (Warwick and Leamington) (Con): May I, too, start by congratulating my hon. Friend the Member for Havant (Mr Mak) on securing this important debate? May I also say how delighted I am to follow the hon. Member for Hove (Peter Kyle)? I thank him, as a colleague on the Business, Innovation and Skills Committee, for yet another excellent contribution.

Industry 4.0—we all call it different things—is an extremely dynamic prospect and something that the UK must fully embrace in the years to come. I do not know whether we can talk about centuries to come, as my hon. Friend did earlier, but I know what he was trying to say. As the co-chair of the all-party group on manufacturing, I appreciate the importance of raising awareness of this topic, and this debate gives us a great opportunity to do so.

In my intervention in business questions this morning, I was pleased to be encouraged by the Leader of the House to raise the issue of industrial strategy with the Backbench Business Committee, and I hope my hon. Friend will join me in making that application.

Using technology to aid production is clearly not a new idea, but the advancement of digital and machinery in the last decade has brought to light the concept of this industrial revolution. The first saw the Victorians rapidly improving their wealth and their economic outlook, and we must not underestimate the ability of state-of-the-art systems to change and have a similar impact on the way we do things now. A particular point to stress is that other nations are advancing on this issue, and that is why we must keep up. Countries such as Japan and Germany are already understanding the benefits of these technologies, and we cannot allow them to have this window to themselves.

Through-life engineering services are one way in which we can help innovation to flourish in the UK. The aims of TES are to improve the availability, predictability and reliability of complex engineering products, to deliver the lowest possible whole-life cost. This is an area where we can take the lead. I recently spoke at the launch of the new TES national strategy, and such a focus on improving the design of systems is an important way forward.

More broadly, we need to act now to compete internationally. The adoption of cyber-physical systems that are able to collect data, provide insights and be used on a large scale in heavy industries is vital for the UK manufacturing sector moving forward. Machines using self-optimisation and self-configuration allow complex tasks to be completed in a way that dramatically increases cost efficiencies and delivers better quality.

The potential is obviously immense. Businesses will be able to streamline production, reduce waste, conduct rapid prototyping, exploit new business models and dynamically engage with customers in real time. A European Parliament briefing paper estimates that improvements in efficiencies of between 6% and 8% can be achieved and that, in Germany alone, industry 4.0 will add 1% of GDP to the economy.

One of the recurring themes from meetings of the all-party group is the need to plug the skills gap. As mentioned in the group’s submission to the Business, Innovation and Skills Committee’s inquiry into the productivity plan, the current level of skills in the UK is inadequate for the future success of manufacturing. Satisfying this need for high-level skills is vital for productivity and can be done in a number of ways. Firms need to invest in increasing capacity, and the flow of talented individuals into the workforce must be continuous, with apprenticeships a notable factor in making that difference. Industry 4.0 and its associated benefits are a way of speeding up that process and improving the outlook in terms of our skills shortage. I hope the Government can enhance their support in that regard.

The backing of the UK catapult centres is proving extremely successful. The Digital Economy Bill, which seeks to improve our digital infrastructure, is an encouraging indication of the Government’s commitment, but we should continue to look at all possibilities to secure the UK’s role as a leading research nation. Investment in R and D will encourage new production in the UK, as R D will encourage new production in the UK, as well as further reshoring. R and D tax credits have been a major boost, particularly for small and medium-sized enterprises.

Another recurring theme in discussing the future of manufacturing is the reshoring of production and the significant impact this has on the sector and the national economy as a whole. In reshoring our efforts, an increase in intelligent automation can be a significant driver of economic growth. With such a significant change, new
business models should be analysed, and the adoption of the concept of industry 4.0 fully considered. The significant investment needed may hinder small and medium-sized businesses in the medium term, considering the high level of funding needed to pursue such systems.

There are also issues of data protection. With such technologies, the large volume of data used in production will obviously be sensitive. If competitors were to access the information gathered by smart machinery, profits could be squeezed. It is therefore imperative that legislation around data protection is tight before businesses can be confident about changing their business models.

To name just one more challenge that I see in the digitisation of the market, there is a concern that our talent pool will lack the necessary skills to operate machinery encompassed by the concept of industry 4.0. It is generally accepted that there is a shortage of experts in information and communications technology, and that may be more pronounced in terms of the need for cyber-security and the transfer of big data.

If we are to push forward with industry 4.0, we need to ensure that the whole system, including education and apprenticeships, works in harmony to provide the necessary skills. The industrial strategy is particularly relevant in that respect.

It is therefore clear that we have an incredible opportunity to rapidly advance manufacturing in the UK, and this debate is an excellent way of kick-starting the discussion around how we go about embracing these new technologies and how we overcome the challenges involved in doing so.

2.46 pm

Ronnie Cowan (Inverclyde) (SNP): It is impossible to be from Inverclyde and not to reference the lessons of history when talking about how we can best implement new technologies in our economy. I hope other Members will forgive me for indulging in a short history lesson, but without Greenock-born James Watt we would not be talking about a first industrial revolution, never mind a fourth.

Many Members will be aware that Inverclyde was once a world leader in technological innovation. For hundreds of years we led the way in shipbuilding innovation, with ships such as the Port Glasgow-built PS Comet, which operated the first commercially successful steamboat service in Europe. That technological innovation created thousands of jobs and led to a massive increase in manufacturing production.

Throughout the 19th and 20th centuries Inverclyde’s shipyards remained world-leading innovators, building the advanced warships of the day and the most cost-effective merchant vessels, which expanded our influence in the world. It was an imperfect industry, but people could take pride in their work, and we can declare without hesitation that this was an integral part of Scotland’s story as a nation.

In the 1980s the UK Government withdrew public funding for shipbuilding. The subsequent collapse of the industry meant that, by 1986, Greenock and Port Glasgow’s male unemployment rate had risen to 26%. The UK Government told us the private sector would create jobs where publicly supported industries had failed. I will concede they were partially correct about that—a McDonald’s restaurant is now situated where the walls of the Scott Lithgow shipyard once stood.

In 1988 Margaret Thatcher visited Greenock’s IBM plant to highlight how we would transition to new industries and lead the way in an electronics revolution. However, the revolution has been short-lived, and IBM will permanently end its involvement with the Spango Valley site in Greenock later this month. The first three industrial revolutions brought success to Inverclyde, yet they ultimately ended with periods of rapid decline. These eras created wealth for factory owners and multinational technology companies, but too often the workers were left to pick up the pieces when these industries ended. As a result, Inverclyde now suffers from a high rate of depopulation, and the remaining local businesses and public services are struggling to survive under the long shadow of those historical failures.

The point of that history lesson is this: Inverclyde shows us that technological innovation will never reach its full potential if it lacks a social conscience. The motion before us states that “the UK is in a strong economic position to take advantage of the Fourth Industrial Revolution”.

In my constituency, we have not yet resolved the issues arising from the decline of the previous technological ages. Undoubtedly the fourth industrial revolution can be part of the solution, as long as constituencies such as mine receive adequate levels of support; otherwise, this innovation will only reinforce inequality as the more developed parts of the economy continue to benefit the most from rapid technological advances. The UK Government have an obligation to offer more assistance to Inverclyde, given their catastrophic failures of the past. The Government took extraordinary measures to destroy industry in Inverclyde; I would now like them to take extraordinary measures to help us take advantage of the fourth industrial revolution.

Renewable energy will be a major component of Scotland’s future technological innovation. Inverclyde would be well placed to take advantage of these developments. Inverclyde is one of the few areas with the geography to utilise nearly all forms of renewable energy. We have a coastline and can therefore contribute to tidal power, and we have enough rural space and hills to facilitate wind farms. The burns that run off those hills can power hydro schemes, as they did in the past, and while solar will never fulfil all our requirements, it could be a valuable contributor. Further, we are already a producer of biomass fuels, and wood chips produced in Inverclyde are being used all over Scotland. Inverclyde has a large amount of unused industrial land, and these sites could be centres of manufacturing once again, while our port facilities mean that we are able easily to export the completed products to their required destinations. Every renewables business that we establish would result in associated benefits for suppliers and other local businesses.

While I welcome the UK Government’s decision to bring industry strategy back on to the policy-making agenda, I fear they will not prioritise the needs of constituencies such as Inverclyde. Where the UK Government do have power, we are witnessing a lack of vision. Renewables could transform Inverclyde, yet policy decisions made here in London are stifling the industry’s potential. The UK Government have shown a complete
lack of foresight in withdrawing much of the financial support that was available for the renewables sector, so now we are the UK Government the chief architect of a social and economic disaster in the west of Scotland, but they are actively damaging industries that could make the area vibrant once again. The fourth industrial revolution promises us so much—"smart" manufacturing, increasingly integrated technologies, and even white goods and household appliances that connect to the internet—but what my constituents are really asking for is employment: not low-level, poorly paid jobs, but skilled, high-value employment that will boost other businesses and educational institutions in the area.

The industrial revolution failed to lift the landed poor out of poverty. It created vast amounts of wealth, but increasingly that wealth is being accumulated in a smaller and smaller section of society. I want the UK Government to demonstrate two things: first, how they plan on driving forward the fourth industrial revolution; and secondly, how this technology will be used to benefit the social and economic situation of everyone in society. With an astute eye for the future, the fourth industrial revolution could lead to a period of unrivalled prosperity for this country, but if the Government's stewardship, these new technologies will only reinforce social, gender and regional inequalities.

James Heappey (Wells) (Con): The hon. Gentleman was not in the Chamber yesterday afternoon when I spoke in the climate change debate, so I thought I would inform him that through employing some of these new technologies, Guy's and St Thomas' NHS Foundation Trust in London has been able to install in a hospital a combined heat and power system that saves it £2 million a year on its operating costs. It has done that not through Government promotion but because the technology is there and it has sought to adopt it, and it is doing immediate good for that public service.

Ronnie Cowan: I have wonderful examples of the same thing in my own constituency. Biomass fuel heating is a fantastic innovation if used properly. At the same time, the Government are reducing tariffs on various sorts of wind energy and solar power. It is part of the whole mix if we are going to get this right.

I want to see a fairer and more prosperous society that has employment and opportunities for our young people. Without this sense of progress and social justice, technological advancement will only work against those that need the most assistance. It is time for the UK Government to show how their industrial strategy will benefit working people—and if they are unwilling to do so, transfer the powers to Scotland and let us get on with the job.

2.54 pm

James Heappey (Wells) (Con): Speaking twice in 25 hours is a record for me, and I am grateful for the opportunity. I congratulate my hon. Friend the Member for Havant (Mr Mak), who has secured a worthwhile debate and opened it brilliantly. I apologise for being late, but I was working on the Energy and Climate Change Committee's paper on renewable heat and transport targets, which will be released this evening. I commend it to the House: it is probably one of the most insightful Select Committee reports that Members will read all year. Indeed, all of our Committee's reports are insightful. In summing up yesterday's debate, the Minister used some fantastic theatrical references, which I hope will become a tradition of his summing-up speeches. He has an encyclopaedic knowledge of the theatre, so we look forward to that. Today, I present, to use my own theatrical reference, the second part of my play in two parts, in which I will talk about the energy opportunities provided by the collision of emerging technologies and our existing energy infrastructure.

There is some dispute over whether this is the third or fourth industrial revolution. A book by Professor Jeremy Rifkin has become a bit of a bible for me, as I have sought to develop my thinking on how energy policy might evolve. He thinks that this is the third industrial revolution, but none the less it is an excellent read that very much pulls in the same direction as those who are advocating the fourth industrial revolution.

Ministers will already have looked in great detail at the National Infrastructure Commission's "Smart Power" report, which is a fantastic publication setting out how we can harness all these wonderful technologies as we digitise the energy system. The reality, as the report observes, is that we could save £8 billion a year for the UK economy if we digitise our energy system and harness those technologies. That figure represents not just immediate savings on our energy bills, but gains in productivity.

Nicola Shaw, the head of National Grid, told the BBC "Today" programme last week that we are seeing "a smart energy revolution across the country with consumption adjustments reflecting when energy is cheapest".

The idea that we have to change our consumption habits to meet a changing energy market sounds like a nightmare to most people, but the reality is that we already have many of the technologies in our homes. Most major white goods manufacturers are producing smart appliances already: they are in our shops and, probably unknowingly, we already have them in our homes. Through the internet of things, they will all start to speak to one another to make sure that they operate at the most efficient and cost-effective time. They also report faults, so people will not have to carry on for years with a fridge that uses more power than it should, because it will already have flagged up its fault to whoever manufactured it. These are exciting times and the technologies already exist. It is not, in my view, going to be a case of opting into them, because manufacturers are building them as standard and they will increasingly do so.

The Government face a challenge in preparing our homes, businesses and society for the internet of things from an energy perspective, so I will give my thoughts on our system preparedness before moving on to examples of where we are already seeing the huge economic advantages.

As Ministers know only too well, the smart meter programme is the keystone in achieving the digitisation of our energy system, and I know that they will be keen to push on with that roll-out at best speed. Everything that we seek to do in bringing technological innovation into the energy space depends on those smart meters being in place to digitise the system. Similarly, on the way in which our grid is put together, we want all our generational capacity—from the smallest to the largest—to be able to speak in real time about what it is producing.
[James Heappey]

so that we can have a more dynamic generation system. We also need to sort out the regulatory framework for storage, because at the moment people have, in effect, to pay for their energy twice: first when it is generated, and secondly when it is released from storage. Surely, that cannot continue for much longer.

We also have to make sure that our distribution networks—the substations in our communities—are capable of dealing with more dynamic demand and clustered demand, particularly overnight, when people might be taking advantage of cheap energy to charge cars, run the washing machine and tumble dryer, and heat immersion tanks. None of that will happen automatically without the Government paving the way. Thereafter, however, I am sure that these technologies will find their place in the market by themselves. They will make life better, and people will buy them as a result. The Government do not need to encourage people every year or so to change their mobile phone, because people just want to have the latest technology at their disposal. I am sure that will be the case in this area if the Government create the right regulatory framework with energy policy.

I turn to storage. The price of storage has already come down from $3,000 per kWh to about $200 today, and it will come down even more quickly still. We saw over the summer reports about the Tesla Panasonic factory in Colorado, the construction of which is being accelerated quite rapidly given the increase in demand. These are exciting times, because storage is the key to flattening the energy supply curve and unlocking the real potential of renewables.

The real technological wizardry, however, is demand-side response. That may be a combination of words that many in the Chamber have not heard before, but it needs to be at the forefront of the way in which we discuss energy. Flattening the supply curve through the availability of storage deals with only half the problem; flattening the demand curve through demand-side management is equally important.

I have been hugely impressed as I have become enthused about DSR, and as I have gone around various companies that are delivering it, by the scale of the savings that it is bringing to businesses. Marriott hotels have signed up to a DSR contract that saves them hundreds of thousands of dollars a year. Workers at Aggregate Industries’ bitumen plants used to just turn up in the morning and fire up the boilers to get the bitumen tanks up to heat. They would operate over the course of the day, and then they would be switched off. Aggregate Industries now employs technologies that allow it to say, “Our tolerance is that we need to keep these tanks at a certain temperature, and provided that they are at that temperature, we can release energy back to the grid.” It does so, and it gets money for nothing as a result. By employing those technologies, it can sell back energy that it does not need, which it would otherwise just have paid for and wasted. That creates a huge saving.

Similarly, refrigeration is a massive cost for supermarkets and the food industry in general. Sainsbury’s has employed demand-side response, and the store in my constituency in Street, Somerset has released 20 kW of capacity back to the grid simply from DSR. That is extraordinary.

The other area that I want to touch on was the electrification of the transport system. I had to check very carefully with the Clerk of the Energy and Climate Change Committee about when I would find myself in contempt of Parliament, but I understand that if I draw on the evidence rather than on the report itself, it is fine. This is a hugely exciting opportunity for us to employ electric cars and electric haulage systems in the UK. The problem is that I am not sure that we yet have the infrastructure in place to support them, and I am not sure that we have the right fiscal structure to support them either.

I tried to buy an electric car over the summer, and sadly I found that their range was probably not quite enough to allow me to do my duties around my rural Somerset constituency. They are getting there, however, and we just need to incentivise the acceleration of the technology, so that we get beyond the 100-mile range to a range of 200 or 300 miles. If that happens, I think that people will, all of a sudden, go for electric cars quite quickly. All the incentives that the Government have in place—the £4,500 that they contribute towards the car and the contribution they make towards a charging point at the buyer’s home—are fantastic. The Government’s emphasis on establishing a charging infrastructure at motorway service stations and on main roads is also fantastic, but we really need to grow the infrastructure much more if people are to buy the cars and make the saving that we hope they will. The argument is that electric cars will make us more productive as well, particularly when we go beyond merely electric cars to electric autonomous cars, and we find that we can move around our towns and cities much more freely.

Interestingly, in the United States, Coca-Cola has employed hydrogen-electric hybrid vehicles for its entire fleet, and it has made a 20% reduction on its fuel costs. It made that huge saving by employing those technologies and electrifying its transport fleet, which is very exciting. We should look across at that and realise that this is not just something that people do if they are green and they want to be environmentally sensitive. It is something that an individual or a business can do if they want to reduce their operating costs—technology colliding with energy generation and energy consumption to make us more efficient and more cost-effective, and to make all our operating costs that bit cheaper.

Mr Deputy Speaker, you encouraged us to keep within 10 minutes, but I will summarise, rather than go into the many more examples that I am itching to provide. The bottom line is that, while we will focus very much on our digital infrastructure with broadband and 5G mobile phones and we will worry very much about the preparedness of our airports and air routes, as well as our roads and rail, the energy infrastructure is just as important. In my view, alongside the broadband and mobile phone networks, the three sets of infrastructure of telecoms, broadband and energy will drive the fourth—or third—industrial revolution and allow us to harness all these fantastic technologies. We should seek to do so not just because we are seeking to arrest climate change, but because it is cost-effective, makes business sense, will increase productivity and, ultimately, will be great for our economy.

3.5 pm

Ruth Smeeth (Stoke-on-Trent North) (Lab): I congratulate the hon. Member for Havant (Mr Mak) and my hon. Friend the Member for Hove (Peter Kyle) on securing this crucial debate.
I am proud to represent the greatest city of the first industrial revolution. [Interruption.] I thought I was going to get away with that. In Stoke-on-Trent, we pioneered the modern ceramics industry, as visionaries such as Josiah Wedgwood and Thomas Minton transformed the very landscape, with the pot banks and factories of a world-conquering industry. The clay and coal beneath our feet fuelled a vast, dynamic economy and funded the great civic buildings and canal networks that still stand in testament to that industry. With last week’s news that Churchill China is planning to invest in new jobs and machinery in the city, building on the additional investment at Steelite, that legacy is very much alive to this day.

For my city and my constituents, who have worked the clay for generations, the path to prosperity lies in the renewal of British industry and in the creation of a prosperous, balanced economy that utilises all of our country’s strengths—our creativity, technical acumen and the knowledge gained from hundreds of years of craftsmanship. Advances in modern technology and material engineering present an opportunity to rebuild a local economy and to celebrate a city far too often overlooked. As my hon. Friend the Member for Hove mentioned, such new horizons are already visible in the ceramics industry, in which advances in material transformation mean that ceramic technology could and should be utilised in new and extraordinary ways, from bone transplants and hip replacements to mobile transmitters and energy conductors. Trials have even been done on lightweight ceramic body armour to protect the next generation of British armed forces.

We now need to make these ambitions a reality for my constituents, and to lay the groundwork for a truly 21st-century ceramics industry in the city that has led it since the 19th century. Plans for a new hub for materials research in the city—the applied materials research and innovation centre—are already under way, supported by the Massachusetts Institute of Technology, Imperial College London and Cambridge University, which demonstrates that Stoke-on-Trent and the UK really are leading the way.

This revolution has the potential to unleash extraordinary economic growth and to improve our quality of life greatly, and we must seize this opportunity to create an economy that works for everyone. We must harness these new technologies to breathe new life into traditional industries and lead a renaissance in British manufacturing. Let us be clear that this, and no less than this, is required. The fourth industrial revolution has the power to drive our country and our communities forward to a brave new world of scientific discovery, material comfort and sustained economic growth.

I wish, however, to sound a note of caution to those who assume that greater prosperity and opportunity are a foregone conclusion. We should not fear change, but we must support our communities to adapt to new industries and new opportunities, because with great change can come great upheaval and economies can develop and adapt in ways we cannot always predict. There can be unforeseen consequences from an economic boom pursued without care. The true mark of a strong economy is that it allows each of us to live comfortably and well, without hunger or want. Losing sight of that aim results in ever greater disparities in wealth and opportunity, to the detriment of us all. Progress may be inevitable, but prosperity is not. Our own actions will determine whether the promise of this fourth industrial revolution is realised, and whether its opportunities will be accessible to the many or the few.

The fourth industrial revolution needs to be guided in such a way as to provide equality of opportunity and balanced regional investment. Communities such as mine in the post-industrial regions, long neglected by successive Governments and lacking the resources to retrain and upskill our workforce, could be hit hardest if we get that wrong. The challenge we face is not only to capitalise on the new technologies but to ensure that the rewards are distributed equitably and that everyone has the chance to get ahead. That is why we need a Government who provide businesses, workers and entrepreneurs with the support they need.

For Stoke-on-Trent, that means a coherent industrial strategy that plays to our strengths in ceramic manufacturing and engineering, and supports us to develop the associated industries that any successful city regeneration is built on. During my first year in Parliament, I have been working with local employers, businesses and universities to do just that. Supported by the Staffordshire chamber of commerce, we are working to develop a clear industrial strategy for our city, with a set of achievable goals to improve our infrastructure, tackle our skills shortages and secure the inward investment that we desperately need.

Throughout our city, there is recognition that a piecemeal approach to economic renewal is not enough. We need a long-term plan that sets out to tackle the particular obstacles we face. That means overcoming the challenges in skills and education and offering greater opportunities for our young people, not just in traditional trades but in digital technology, coding and advanced materials. I welcome the Government’s decision to lift the age cap on apprenticeships to allow more people to learn new skills and trades, but we must also work to open people’s eyes to the many new industries that are being thrown open by the digital revolution.

We also need a fresh commitment to lifelong learning, so that people can learn new skills throughout their lives and adapt to an ever more fluid labour market. So much potential is wasted because people are not being granted the opportunity to develop themselves throughout their working lives.

Cities such as Stoke-on-Trent also need investment in the critical infrastructure needed to grow our local economy, whether that be transport links or superfast broadband. Projects such as the ceramic valley enterprise zone are a very welcome boost, but I fear that they are not sufficient in isolation to deliver a strong local economy. A full infrastructure evaluation of our northern and midland cities would show that the Government are committed to building an economy that works for every nation and region, and help to put flesh on the bones of the so-called northern powerhouse. We need an industrial strategy that supports businesses that want to expand on to invest in new technologies—especially new ceramic technology—and supports R and D into those new technologies, as we saw with the breakthrough in graphene technology at Manchester University.

Britain can and must lead the way in this revolution, but we must also ensure that opportunity and rewards are spread fairly. We must understand that the faster our society changes, the more people are at risk of...
being left behind. By investing now in skills and infrastructure to give everyone the chance to excel, we can overcome those challenges. That is why I urge the Government not to sit back and let events take their course but to invest in the skills, training and infrastructure that we need right now, right across the country, to ensure that everyone has the chance to fulfil their potential. We need to ensure that the opportunities presented by the fourth industrial revolution are open to all, not just a few. We need a commitment from the Government that they will invest in skills and education—in particular, in adult education—so that those whose jobs are at risk can find new, better and better-paid employment in new industries, and we need a genuine industrial strategy that supports the manufacturing and technology industries the length and breadth of our country.

3.14 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): It is a pleasure to speak with you in the Chair, Mr Deputy Speaker. I congratulate my hon. Friend the Member for Havant (Mr Mak) and the hon. Member for Hove (Peter Kyle) on securing a debate on this very important topic.

According to the World Economic Forum, the fourth industrial revolution is characterised by a range of new technologies that are fusing the physical, digital and biological worlds. As my hon. Friend reminded us, it has, they say, the potential to transform and to integrate products and services to reshape radically the way in which things are made, the factories in which we make them, and the ever more personal and customised uses to which they are put. This can take many forms, be they new web applications, micro robots, peer-to-peer services, advanced manufacturing, personalised medicines and cyber-medical technologies. They, in turn, can be leveraged by big data, and better and more widespread digital connectivity.

I want to speak briefly about what I think the fourth industrial revolution is or might be, why it matters and what the UK is doing to promote these developments. Let me start by saying that I am quite sceptical about the language of the fourth industrial revolution. I share some of the scepticism of my hon. Friend the Member for Wells (James Heappey). Voltaire once rather sardonically remarked that the Holy Roman empire was neither holy nor Roman nor an empire. I worry that the fourth industrial revolution is neither the fourth nor particularly industrial, and not a revolution.

The natures and causes of the original industrial revolution are still, may I remind the House, rather contested. Was it the result of access to coal and high thermic value coal in particular? Was it the result of spreading trade? Was it the result of the bourgeois virtues of thrift and hard work, of tolerance and openness to other countries, or of science and technology? These are still contested matters among historians. What we can say is that it was based on steam, and that something like 150 years later there was one based on electricity.

Where does that leave us now? I think we need to go to the fons et origo, the foundation of all economic discussion: Adam Smith. I was particularly glad that the hon. Member for Inverclyde (Ronnie Cowan) highlighted the importance of Glasgow, since Smith was Glasgow University’s greatest professor at a time when it was, along with other Scottish universities, one of the greatest universities in the world. Smith was wise on many fronts. He was, alongside David Hume, a Unionist above all. He said:

“The Union was a measure from which infinite good has been derived”

to Scotland. He was wise in economics, by pointing to the importance of the division of labour. He pointed out in particular that the capacity for specialisation was limited by the size of the market. He said that we did not get porters in villages. These days we might say that we do not get Uber in towns—the market simply is not big enough.

I would suggest that change today has been powered by the same things it has always been powered by: bigger markets; technological innovation; better materials and access to materials; and, above all, the human appetite for risk and the questing nature of the human imagination. It was one my predecessors, Lord Willetts, who pointed out the eight technologies on which the previous Government founded their industrial strategy, ranging from satellites to agri-science. I think that that marks a better approach to thinking about these issues than talking airily in terms of revolutions.

There is a contrary view, which has been very well articulated by Robert Gordon in his book “The Rise and Fall of American Growth”. He argued that there was a golden century of innovation between 1870 and 1970, a time of genuine transformation through innovative technologies. As John Kay has said, someone who was born when Benjamin Disraeli was Prime Minister and lived to see Edward Heath would have witnessed horse-drawn transport give way to cars and aircraft, medical services that were non-existent replaced by cures for infectious diseases, as well as the introduction of electric light, indoor plumbing and colour television. Each of them was a transformative technology. Paul Volcker has pointed out that the greatest technological change of the past few decades in finance has been the ATM. Anyone who knows anything about finance has a great deal of sympathy with that viewpoint.

These technologies reshape. Gordon’s suggestion is that the capacity for transformative innovation has slowed. We have upgrades but we do not have the same life-transforming breakthroughs—breakthroughs such as the washing machine, which even more perhaps than the internet has shaped people’s lives—and the result is low growth and low productivity. I do not share that pessimism; for me, the things that matter are imagination, energy, the capacity for risk and the ability to work.

At this point, I should declare an interest by mentioning two projects with which I have been associated. One is the New Model in Technology & Engineering, which will be the first wholly new university for three decades. It will be based in Hereford, and is creating a curriculum along the lines of liberal engineering, tying the liberal imagination of the arts and sciences to the engineering discipline required to create genuine innovation. Its approach will be problem-based rather than curricular, and students will be taught in three-week blocks rather than attending specific lectures. There will be a 46-week curriculum. The university has links with Olin College in America, and with the universities of Warwick and
Bristol in this country. It is not just a very important local institution in embryo, but a potentially national—disruptively national—institution in higher education, and I think that it will do an enormous amount to assist the technologies about which we have talked today.

The other project is, if anything, even more personal. It is a not-for-profit car that my father has designed—a flat-pack vehicle. Even you, Mr Deputy Speaker, with your astonishing breadth of understanding and knowledge, may be surprised to learn that the vehicle can be assembled by three people in a day. It costs a third of the price of a luxury 4x4, and it carries three times the weight. Its target price is under £20,000. It is astonishingly simple, and, of course, achieving such simplicity requires terrific design and terrific engineering. What the project shows is that great innovation does not require high technology; it can come through simplification, or a sense of the possibility that simplification can change manufacturing processes. This is a vehicle that has potentially revolutionary implications for developing countries.

Let me now deal with our own situation more widely. My hon. Friend the Member for Havant rightly highlighted the importance of policies that support enterprise, as did the hon. Member for Stoke-on-Trent North (Ruth Smeeth), and I very much share that view, but manufacturing companies in this country are overwhelmingly employers of 50 people or fewer, and those small firms account for more than 50% of manufacturing employment. Small and medium-sized enterprises will be the lifeblood of change over the next few decades, as they are today, because they are versatile in their manufacturing and light on their feet. They are also able to respond quickly as customers demand more customised, bespoke and niche products, using new materials and revolutionary production techniques such as 3D printing, intelligent machines and sophisticated computer design.

I hope that Members are already aware of Innovate UK, which brings together entrepreneurs and innovators with great ideas. It runs funding competitions to identify the strongest opportunities, and connects with the best partners to get their products market-ready, be they digital or solid-state. The High Value Manufacturing catapult, enabled by Innovate UK, helps small manufacturers to adopt and use those technologies. In its first five years of operation, about £300 million has been invested in high-value manufacturing by that means. Over the past year, the HVM Catapult has worked with more than 1,650 private sector clients on more than 1,300 projects and 1,800 small and medium-sized enterprise engagements. It has the right equipment to support the adoption of advanced technologies. Its use of virtual modelling enables businesses to understand what technology could do for them, and to plan and remove risks. Through Innovate UK, we are supporting the £9 million CityVerve internet of things smart city demonstrator in Manchester. The Future Cities catapult is collaborating with Microsoft and Guide Dogs for the Blind to develop tools to make moving through cities easier and more enjoyable for partially sighted people.

Those are just some of the very interesting collaborations that this model of support between the private and public sectors can provide. It is a virtuous circle, and the Government want it to be replicated many times. We need to increase awareness of and access to these catapults. We need to increase the number of catapults so that more small businesses can test out how to transform what they do and open up new market opportunities.

Peter Kyle: I cannot help but make the observation that only someone who has never shopped at Ikea would ever think it was possible to buy a flat-pack car and assemble it in a day.

Catapult centres are a fantastic idea. Does the Minister think it is merit it linking them more to some of the industrial materials, products and services that are being developed in parts of the heartlands that my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) mentioned?

Jesse Norman: I very much take the point. There is only one way to think of this flat-pack car: it is the product of three years’ development by the former chief designer at McLaren. That is the only way one could get a vehicle that would meet the criteria set out by the hon. Gentleman. On the issue of linking to industry, he is right. One of the things that is interesting about catapults is that they have proved to be quite flexible. There is no reason why that flexibility, as they grow in number and extend themselves, cannot be used to create even closer links. As he knows, there is what Lord Willetts used to call a “valley of death” between research and development. The tie-in to employers in education and to businesses in development is vital to stop that problem.

I thank colleagues and congratulate them on the debate, which has been extremely wise and intelligent. The Government want to be at the forefront of the changes that are being discussed here—the dramatic transformations in the landscape of our industry and commerce. We want to lead this revolution—whether it be the third or the fourth—as we led the first, and we plan to do so through the new Department for Business, Energy and Industrial Strategy and the industrial strategy, which will be unveiled in the next few months.

3.26 pm

Stephen Kinnock (Aberavon) (Lab): I join colleagues in thanking the hon. Member for Havant (Mr Mak) and my hon. Friend the Member for Hove (Peter Kyle) for all their work to secure the debate. I declare an interest: for three years, from 2009 and 2012, I worked for all their work to secure the debate. I declare an interest: for three years, from 2009 and 2012, I worked for Innovate UK, which brings together entrepreneurs and innovators with great ideas. It runs funding competitions to identify the strongest opportunities, and connects with the best partners to get their products market-ready, be they digital or solid-state. The High Value Manufacturing catapult, enabled by Innovate UK, helps small manufacturers to adopt and use those technologies. In its first five years of operation, about £300 million has been invested in high-value manufacturing by that means. Over the past year, the HVM Catapult has worked with more than 1,650 private sector clients on more than 1,300 projects and 1,800 small and medium-sized enterprise engagements. It has the right equipment to support the adoption of advanced technologies. Its use of virtual modelling enables businesses to understand what technology could do for them, and to plan and remove risks. Through Innovate UK, we are supporting the £9 million CityVerve internet of things smart city demonstrator in Manchester. The Future Cities catapult is collaborating with Microsoft and Guide Dogs for the Blind to develop tools to make moving through cities easier and more enjoyable for partially sighted people.

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In the aftermath of the EU referendum, each of those challenges is exacerbated by the uncertainty that our economy faces as we negotiate Brexit, given that we do not know what our trading relationship with our largest market will be, and likely will not know for some time. In that difficult context, the fourth industrial revolution, which will completely transform the way we live, will be a defining period for our economy. Will the technology at its heart, left unfettered, entrench the challenges we face, threatening jobs, driving inequality and reducing exportable products as the economy is further limited to services, and further place all the risks and insecurity of the economy on the worker; or will we use the fourth industrial revolution to transform and brighten our economic future for all our people? Can its fusion of digital technology, intelligence and connectivity shape a new economy, with new models of manufacturing, labour relations and skills development that create jobs, raise living standards and allow us to trade with the world in new ways?

Can creating this new economy help us realise our values in society and in our everyday lives?

The answer to those questions is what we make it. We must shape and lead the fourth industrial revolution so that it delivers the society and economy we want for people all across our country. That requires a Government with a vision of what a fourth industrial revolution must look like in order to deliver the outcomes we need and a Government who have an industrial strategy that helps us get there. It requires a Government who take action and take control of our future.

This will require a strategy and plan that rebuilds a new manufacturing sector based on the internet of things, and that creates world-leading products but also delivers a more sustainable form of labour relations. It will require us to take long-term decisions that buck British ingenuity and ideas. It will require us matching or exceeding OECD levels of investment in research and development, which is the source of future growth and industry.

As part of this, we must continue Horizon 2020 funding, which does so much to catalyse university research and innovation and transform it into market products. The Government have currently promised to match Horizon funding until 2020, yet even in a fastest possible Brexit scenario that is only one year of matched funding. We must commit for much longer to give universities and innovators the confidence they need, especially in the face of Brexit-fuelled uncertainty, to develop the ideas and intellectual property that will inspire and drive our future in the fourth industrial revolution.

As well as providing this foundation for the catalysts of the fourth industrial revolution, Government must also protect its fruits: British IP, business, manufacturing and supply chains. We simply cannot afford to be hands-off and allow a world-class tech business such as ARM Holdings to be sold to the Japanese. We cannot run a successful, growing economy and secure the investment it needs if we allow our crown jewels to be sold off.

Just in the last year, I have seen the huge difference in impact between a hands-off approach to government and one that is active. The British steel industry, so important to my constituency, has been failed time again by our Government. The Government did not act to block the dumping of state-subsidised Chinese steel, when they could have done. The Government did not encourage investment or profitability by keeping a regressive business rates regime and uncompetitive energy prices. Yet when the Government and the state do step up to shape our future and provide a foundation for our success, British talent can deliver great results.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman mentioned the sale of ARM Holdings to SoftBank. Yesterday we saw the announcement of Micro Focus, a UK business, buying a significant business of Hewlett Packard. Does he think that we should be able to buy businesses internationally, but not be able to sell them internationally?

Stephen Kinnock: In my view, we need to reform the Companies Act, placing a clear national interest clause and a method of monitoring and executing that clause, so that we move away from situations such as we saw with Pfizer attempting to take AstraZeneca. I am very thankful that the previous Leader of the Opposition did a great job in preventing that from happening, but it is very ad hoc and we need a national strategy to protect our national assets, particularly where they play such a key role in the research and development that drives the entire economy, and indeed the fourth industrial revolution.

In Aberavon, we have a remarkable company called SPECIFIC that works to turn buildings into power stations. It is developing steel-based coatings for buildings—roofs, walls, glass and so on—which can generate and store their own electricity, and it works. We already have an industrial site in Port Talbot that has been generating all its heat through solar power like this for three years. All of this is done thanks to a partnership between business, universities, industry and, yes, the state. The SPECIFIC project is a living, breathing example of the fourth industrial revolution in action, and it required the proactive support of Government. Without the support of Innovate UK, the EU and the Welsh Assembly Government, this project would not have got off the ground. We will be able to make every region of the UK a leader in the fourth industrial revolution only if the Government see building launch pads for our people and businesses as part of their role, in order to allow them to succeed.

I close by quoting my old boss at the World Economic Forum, Professor Klaus Schwab. He said:

“In its most pessimistic, dehumanized form, the Fourth Industrial Revolution may indeed have the potential to ‘robotize’ humanity and thus to deprive us of our heart and soul. But as a complement to the best parts of human nature—creativity, empathy, stewardship—it can also lift humanity into a new collective and moral consciousness based on a shared sense of destiny.”

That is the prize of the fourth industrial revolution, but only if we make it so.

3.35 pm

Tom Tugendhat (Tonbridge and Malling) (Con): Vielen Dank, Madam Deputy Speaker. I am delighted to be here and I thank you very much for making time for me to speak. I had intended to make only a brief comment, but the conversation this afternoon has inspired me to speak for a little longer. Many elements have been
touched on, some of which took the theme from Voltaire that the Minister raised, and many of them are Panglossian. There is, however, a darker side to the fourth industrial revolution, and it relates to the element of protection.

I want to cover two areas of protection. The first is a legal one that will be obvious to many Members of the House, and it relates to the nature of patent law. The point of a patent is to do what Newton told us he did—namely, to stand on the shoulders of giants. It is to allow people to create ideas, to enjoy a monopoly on them for a brief period and to allow others, through knowing that secret, to build on it, thereby benefiting the whole of society. Patents are really important, and they will therefore be extraordinarily important in inspiring this next phase, the fourth industrial revolution. However, they will work only if they inspire those people who are actually coming up with the ideas to continue to do so.

The current system of patent law, not only in the UK but, sadly, in the United States, Europe and many other parts of the world, states that we will guarantee that monopoly for whatever the period is—it is usually about 20 years around the world—to the first person who hires a lawyer, goes to the patent office and registers his or her claim, thereby guaranteeing their rights for the future. I am afraid, however, that that is an error, and it is one that many countries make. We have done this because it sounds logical. It sounds sensible that the first person to register their claim should be the one to benefit, but it should be the first person to invent who benefits.

This might sound as though I am being casuistic. What is the difference, after all, between invention and filing, when all the inventor has to do is to hire a lawyer? Well, that is easy if you are a large company that has lawyers on tap and can afford these procedures. But what about the small companies? What about Google, when it started out in a garage a number of years ago? What about Apple, which started out in a garage 30-odd years ago? What about a small company such as Sir Torquil Norman’s vehicle company? Such companies come up with many ideas, but they do not know which idea will take that idea and registers it, it is then theirs. The fact that the small company came up with it a day, a month, a year or 10 years beforehand—and can even prove that it did so—does not guarantee its claim. It is, after all, the first to file who gets the patent, not the first to invent. Given that we are now discussing technology that can be invented, as pointed out by the hon. Member for Hove (Peter Kyle), by those under-16—let alone by older apprentices—it is important to remember that their rights should not be diminished simply because they do not understand the finer points of patent law. I urge Her Majesty’s Government to look hard to see how we can adjust the law to protect all.

My second point is that I wish I did not have to cover. Simply put, the UK has a legal system that was drafted—namely, to stand on the shoulders of giants. It is to allow people to create ideas, to enjoy a monopoly on them for a brief period and to allow others, through knowing that secret, to build on it, thereby benefiting the whole of society. Patents are really important, and they will therefore be extraordinarily important in inspiring this next phase, the fourth industrial revolution. However, they will work only if they inspire those people who are actually coming up with the ideas to continue to do so.

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My second point is one that I wish I did not have to touch on and one on which this Government have rightly already done much: the protection of our nation’s right to develop ideas and not have them stolen by foreign companies or Governments or by those who simply seek to use commercial espionage—or state espionage—for commercial gain. I am pleased to see that the Government have already gone some way on this matter, but I urge them to go further.

The position that GCHQ holds today in the UK is essential, but it is not the position that it has held for the past 100 years. Over the past century, GCHQ has quite rightly guaranteed the signals intelligence of Her Majesty’s Government. It has protected our communications to our armed forces, our embassies and our friends. It has perhaps done something to ensure that we know a little bit about what is going on elsewhere. Now, however, GCHQ’s role is different or, rather, has expanded.

It would be right today not to think of GCHQ as an intelligence agency in the traditional sense, but rather more like the Royal Navy between the 18th and 20th centuries. Today, it is GCHQ that guarantees the economic routes of communication in exactly the same way as our battleships once did while guarding the strait of Malacca, ensuring that the coast of Africa was free of pirates, and keeping the Mediterranean free for trade from all nations. Today, those sea lanes are electronic highways and those ships are concrete and based in Cheltenham. The sailors, who are now coders, are no less essential to our economic future. As we talk about this fourth industrial revolution, it is vital to remember that we must think about the protection of ideas in all senses both legal and, sadly, through intelligence.

Thank you for giving me the time to speak, Madam Deputy Speaker. I must also pay tribute to my hon. Friend the Member for Havant (Mr Mak) and the hon. Member for Hove for arranging this debate.
at British Leyland in 1984 and more recently at Motorola in 2001. We must learn from those experiences and ensure that the legacy of the coming revolution is not another round of job losses and increased inequality.

With that in mind, let me say that I welcome the UK Government’s decision to put industrial strategy back on the policy-making agenda. I also support the introduction of programmes that assist businesses in delivering greater economic growth. That said, I am concerned by the uncertainty caused by the UK’s decision to leave the EU, which affects firms’ planning for key investments. Any such delays may weaken an industrial strategy.

In Scotland, the SNP Government have put forward ambitious policies, such as the action plan for industrial strategy, to fully realise Scotland’s manufacturing potential, encouraging innovation and skills development, while promoting inclusive growth. As industries evolve, so, too, must the firms that support them. One good example from my constituency is Sibbald Limited, at Blackridge, a firm that has continued to move with the times and is one of the leading providers of training in the construction sector in the country—indeed, it provides construction industry and plant training worldwide. As the fourth revolution develops and processes become increasingly sophisticated, specialist training becomes ever more crucial.

When I grew up as child in West Lothian, not all that long ago, the landscape was littered with shale bings and scenes of industrial decay. What is now being achieved technologically was the stuff of sci-fi shows such as “Star Trek”, which is 50 years old today; there will be a free screening of “The Wrath of Khan” in Linlithgow on Saturday, with Linlithgow being the future birth place of Scotty. The growth of phone apps and world interconnectivity take things to an entirely new level, with personally tailored solutions designed to fit individual user needs. One such modern solution has been developed by another local firm, Silent Seminars in Grangemouth, which has an assistive listening system technology. When that was used during the Edinburgh Hogmanay party last year, it was the first time this tailored service solution had been used at an outdoor music event in the UK, and it allows people with hearing impairments, who may not usually be able to attend live concerts and such, to enjoy shared social experiences with their partners, friends and families.

I am fairly certain that we have arrived at the early stages of the fourth industrial revolution, but large parts of the world have still to experience the second industrial revolution; about 1.3 billion people still lack access to electricity. One thing is certain: we will be in the thick of this revolution for decades to come, and the pace of change will be like nothing before. Where society ends up is anyone’s guess. We need to ensure that such a pace of technological advances reduces, and not magnifies, social and gender inequalities, both locally and globally. Indeed, a long-term comprehensive strategy must be developed to tackle that.

It is predicted that we are witnessing an internet of things, and it is suggested that 30 billion devices or more, covering all aspects of our lives, will be connected to the internet by 2020. This, in turn, will be opening up an unprecedented level of remote control management. Unlike James Watt, whose work at Bo’ness required the nearby Gil Burn to provide a plentiful supply of water, today’s engineers will be able to work remotely, but let us make sure people are not isolated and left behind. We live in exciting times, filled with many challenges and opportunities, so let us make the most of them.

Kevin Hollinrake (Thirsk and Malton) (Con): It is always a pleasure to speak with you in the Chair, Madam Deputy Speaker.

I congratulate my hon. Friend the Member for Havant (Mr Mak) on securing this very important debate and on his motion, which notes the importance of small and medium-sized businesses, the huge contribution they make and their expertise. The motion also calls on the Government to “continue introducing and supporting policies that keep the UK at the forefront of this revolution”.

I wish to add to that, as I think we will need policies that support small businesses and let them take advantage of these opportunities in the future.

I welcome the opportunities that this industrial revolution will bring, but I have niggling concerns. I will always be a champion in this Chamber for small business, having set up my own business in 1992 and then several technology businesses later on, with varying degrees of success. Business is a huge opportunity for this nation and for individuals, and it can transform the lives of people right across this land, whatever their background. There is also an opportunity for the consumer here, of course, as this technology revolution in particular is transforming the way in which consumers shop and travel, and how they can socialise. We need to look at how some of these channels will be dominated by huge businesses and at the potential opportunities—or even the lack of opportunities, which I am most concerned about—within their supply chains for small businesses.

Let me touch briefly on the pipes that we need. My hon. Friend the Member for Wells (James Heappey) talked about ensuring that the country has the right infrastructure, and this is about mobile phone communication—not just 4G but 5G—and our broadband. We do not want a sticking-plaster approach, because we need to get fibre not just to cabinets, but right through to premises. Only 2% of premises in the UK have a fibre-to-the-premises connection, which is the futureproof solution that we need. In Spain, the figure is 60%. I have welcomed the Government’s £1.7 billion investment in this area in the past, particularly for rural areas, as it has made life much easier for many of my constituents and businesses. Nevertheless, I fear that we will hit the same bottlenecks in five and 10 years’ time unless we step up our investment.

Jesse Norman: Did my hon. Friend note the brilliant report on broadband that the Culture, Media and Sport Committee published in July, which highlighted the underinvestment by BT in the national broadband network that independent experts estimate to be in the region of hundreds of millions of pounds a year? That is directly attributable to the way in which BT’s investment policy is carried out, and it is to the detriment of shareholders.

Kevin Hollinrake: My hon. Friend hits on one of my favourite topics: the culture of corporate obfuscation that we get from BT and its willingness to underinvest to maximise profitability. We absolutely need to get BT
to up its game. I agree with Ofcom, which says that one solution is to open up the ducts and poles to other operators. Perhaps in future, when there are bidding rounds for Government investment, local authorities or the delivery authorities should themselves be held responsible for ensuring that third-party operators—smaller operators—get access to those ducts and poles in the local areas for which money has been committed.

The Government are supporting small businesses and innovations in many ways. As the Minister mentioned, there has been a 38% increase in investment in Innovate UK since 2010. Research and development tax credits have a hugely beneficial effect on companies that want to invest in new technologies. The enterprise investment scheme has unlocked investor capital for new start-up businesses and made such businesses possible on the back of these tax concessions. I support the retention and perhaps expansion of the concessions to make sure that we get new businesses to take advantage of these opportunities.

The failure rate for high-tech businesses is very high, but investors will countenance that because the rewards are also very high. Investors know that it is almost a winner-takes-all bet. They know that if they get it right, they can land themselves with an Amazon, a Google, an Uber, an Apple, or even a Rightmove or a Zoopla. In many sectors, there is either no competition or competition from just one other body, which puts those businesses in a hugely advantageous position.

In some areas of technology, business inevitably wins, and the other thing that will inevitably win is the machine. I spent my summer holidays reading a very interesting book by Matt Richtel called “A Deadly Wandering”, which talks about the ability of machines to multi-task. Richtel talks about the cocktail party effect. He describes a person in a conversation at a cocktail party. He says that it is not possible for them to listen to another conversation if they are truly engaged in their own conversation, as they can only do one thing at a time. Apparently, they can recognise their name being mentioned, but that is about it. Computers, on the other hand, can do millions of things at the same time, and they can do them better. A new computer called AlphaGo was built to try to beat the world champion of the game Go. That is not just a game of logic, but a game of intuition, yet the computer beat the world champion Lee Sedol five times in a row. The computer hones its own skills. So machines will win and big business will win.

The biggest worry I have about some of the businesses that will win in the future is their ability to dominate the entire supply chain. Uber is a good example. When it first came along, we saw it as just something that connected people who wanted a taxi with people who were taxi drivers. Uber has been clear that in the future it wants to be the taxi driver as well. In fact, it does not want any taxi drivers; it will have autonomous vehicles, and will no doubt link up with huge car manufacturers. Toyota, Nissan and other companies are looking at this. Uber will be end to end, taking away small business opportunities from taxi drivers, delivery drivers and HGV drivers.

**Tom Tugendhat:** My hon. Friend is making a persuasive point. There will be a challenge to not only small businesses, but large businesses. After all, if someone can hail a cab for nothing at all, why would they own a car?

**Kevin Hollinrake:** There are huge challenges ahead.

The situation is similar with Amazon, of course. Small businesses used to engage on the Amazon platform. A small business driver would pick up goods and take them to their destination; in future that will be done by autonomous vehicles and drones. Amazon will completely dominate the supply chain, so where is a small business opportunity there?

In previous industrial revolutions, opportunities were created for small businesses—people repaired the looms and sold clothes to the people who had new well-paid jobs. I must disagree with the hon. Member for Inverclyde (Ronnie Cowan), who said that people had not benefited from the industrial revolution. Clearly living standards today are much higher than before the industrial revolution. Nevertheless, future opportunities for small businesses are a concern.

**James Heappey:** My hon. Friend is making an excellent speech. Does he agree that both for private residents and for businesses, if one of the characteristics of this industrial revolution is the pursuit of a zero marginal cost for energy, communications and transport, the reduction of those costs could give small businesses, large businesses and private citizens alike a great opportunity to enter a marketplace without those barriers to entry?

**Kevin Hollinrake:** My hon. Friend makes a good case. In California, people are experimenting with something called a digital dividend. The money that is being made is paid back to people in the form of a dividend for which they do not have to work, but work is important. We want the opportunities; we want the work. We do not want to be redundant, sitting at home while machines do all the work for us. We must make sure that we make the most of the opportunities.

These advantages are locked in, as are tax advantages. The businesses that dominate these technologies are multinational companies that know how to work their way through the system. They circumvent corporation tax and also, arguably, circumvent employment laws. They also circumvent existing businesses and supply chains.

I am not King Canute trying to hold back the tide—this is an inevitability. We cannot resist this change, but the House must develop policies that create a level playing field and also opportunities. We must ensure that our tax system is fit for purpose for the challenges ahead and as we deal with multinational corporations. We must also support the growth of other industries that may spring up on the back of new opportunities that will inevitably be created. We must make sure that we use the opportunities available to us to keep opportunities open for small business.

3.58 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): I congratulate the hon. Member for Havant (Mr Mak) and my hon. Friend the Member for Hove (Peter Kyle) on securing an important debate that has been very informative so far. I hope that it is a subject to which we will return many times in the future.

Before I talk a little about the future, I want to talk a little about the past. The title of this debate, the “Fourth Industrial Revolution”, evokes images of previous industrial
revolutions, and of course the first, which began—whereabouts exactly has been the subject of some debate today. It has been romanticised. We should not forget the child labour, the decline in life expectancy, the exploitation and the unsafe practices that were all huge features of the early years of the industrial revolution. I am not suggesting for a minute that we are going to return to the days of the poorhouse, but history should act as a warning that change of the magnitude we saw in the first industrial revolution is not all positive, and we should be considering now how best to mitigate the negative impacts that a fourth industrial revolution may bring.

For as long as there have been technological innovations to ease the burden of physical labour, there have been dire warnings about the impact on jobs. Although the short-term impact of early automation was severe enough to lead to the Luddite riots of the early 1800s, in the main the dire predictions of what people such as John Maynard Keynes termed “technological unemployment” have proved to be unfounded. In the long run, technological innovation has always delivered more employment opportunities to the economy than it has taken away, but these processes have created winners as well as losers in the short term.

I for one am not prepared to take a chance that things will sort themselves out in 30 or 40 years. Unlike previous waves of industrial progress, this new wave of automation threatens jobs across the entire spectrum at a pace that is unprecedented and may well be impossible to keep up with. Studies by analysts such as Deloitte have predicted that 2.1 million jobs in wholesale and retail would be lost in the next 20 years, and another 1.5 million jobs could be replaced in transport and storage in the same period. These sectors have seen considerable growth in the past few decades, but that now looks as though it could be dramatically reversed.

These predictions refer to the next 20 years, but change in some sectors will happen more quickly. For some, it has started already. There are plenty of examples, as we have heard in the debate today. We have also heard about trials by companies where the movement of all goods in a warehouse is performed by robots. We hear of driverless cars and of drones making deliveries, and in supermarkets the number of automated checkouts continues to increase.

Tom Tugendhat: The hon. Gentleman’s points are well made, but does he recognise that automation has lowered costs, which for so many of our constituents has been a blessing? The cost of television sets, food and any number of items in the home has dropped dramatically, meaning that people can enjoy so many more benefits of modern living than would have been possible even 50 years ago.

Justin Madders: Of course automation has increased people’s ability to purchase high-spec goods and has led to higher living standards and greater comfort, but we have to remember that to buy those goods, people need an income. That is where my concerns lie.

Not only are jobs at risk in retail and logistics, but the professions are in trouble as well. A raft of new legal tools has been launched which automate functions that were once the preserve of clerks and paralegals. Further analysis by Deloitte has shown that the UK has already lost 31,000 jobs in the legal sector to automation, with a further 114,000 jobs set to go in the next 20 years. One futurist predicts that accountancy and law will go from being respectable, well-paid professions to barely existing in a generation. Although many will no doubt view a reduction in the number of lawyers as a good thing, it is difficult to see how there will be anything other than a loss of skilled professional jobs over the coming decades, which will limit opportunity for future generations.

This is in line with some economists’ predictions of an increasing polarisation in the job market, with the gap between high-skilled and high-wage jobs and everyone else continuing to grow. This is a trend that we are already seeing, and it is likely to accelerate as a result of automation and the development of artificial intelligence. Now that we have a pretty good idea of what is coming down the track, it is time for an honest appraisal of whether enough new opportunities can be created to bridge what could be a gaping chasm in the job market, and how we prepare our children for what will be a markedly different economy from that of today.

These are questions that need to be answered sooner rather than later if we are to avoid unemployment rates that would make the 1980s seem like a golden age. I am sure some will say that that is a rather dramatic statement, but I fear that unless we start to ask ourselves some fundamental questions about how we organise our society, we risk the creation of an unbalanced and unsustainable economy where the majority will face a struggle just to survive, and the insecurity that many feel today will become chronic.

The rise in zero-hours contracts, which we have heard about again today, is another example of the increasing casualisation and disposability of the workforce. What about pensions? How will people save for their old age if the insecurity of their whole working life is such that they cannot be sure they will earn enough to put food on the table each week? Not having the certainty or sufficiency of income to enable people to plan for the future is only storing up problems for us all in the long term. I agree with my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) who said that there need to be clear regional strategies for investment if we are not to risk an unequal distribution of revolution and investment in our industries.

There are many ways these challenges could be tackled. In many ways, the availability of technology has already allowed us to change the way we work. We have seen a seeping of family life into work activity—the blurring of the lines between home and work life has already occurred. That could be a positive development, allowing people to work more flexibly, although there is a tendency at the moment for it to become a more convenient way of extending the working week. We are also going to see an increase in the flexibility of employment arrangements, as well as flexibility in the way we actually work. That will not necessarily be a good thing; it can lead to more exploitation, and I want this place to be challenging that exploitation now, rather than years down the line. A good start would be for the Government to start looking at implementing the Deane review on self-employment.

There are many ways we can look at this issue. A universal income has been talked about. We can reduce the number of working hours. We can change the way
we view the world of work. This should be seen as a
great opportunity to liberate people from their workplaces.
Doing more of the same is not the way ahead for this
country. I know that politicians tend to think in terms
of four and five-year cycles, but if we can look beyond
that, articulate a vision of what a fair and prosperous
society would look like and then actually deliver that,
we will have shown leadership that our country will
benefit from for decades come.

4.6 pm

Lucy Allan (Telford) (Con): It is a great pleasure to
follow so many excellent speeches and some particularly
enlightening ones. I thank my hon. Friend the Member
for Havant (Mr Mak) and the hon. Member for Hove
(Peter Kyle) for bringing the debate to the House today.

There has been a bit of debate about where the first
industrial revolution originated, so I thought I would
take the opportunity to talk briefly about my constituency
and why I consider it the birthplace of the first industrial
revolution—I am never one to miss an opportunity to
talk about Telford. It was in fact in Coalbrookdale, in
my constituency, where the father of the first industrial
revolution—the ironmaster Abraham Darby—developed
the first blast furnace in 1709, using coke as his fuel,
and the furnace is still there today, forming a key part of
the Ironbridge Gorge industrial heritage museum. That
was a major innovation, securing a transition to a new
manufacturing process enabling the production of iron
by a means we would today call smart manufacturing—of
course, iron was the raw material on which the industrial
revolution was built. Other revolutionary innovators,
such as Thomas Telford, a civil engineer and architect
of the local canals, bridges, railways and churches,
followed in the ironmaster’s footsteps.

Today, Telford is a symbol of innovation and change,
energy and optimism, and it is once again undergoing a
revolution—one again leading the way with cutting-edge
technology and advanced manufacturing. Today, we
have Enterprise Telford, an innovative initiative that is
successfully securing inward investment to a corridor of
advanced technology and smart manufacturing processes.
At the heart of Enterprise Telford is T54, a flagship site
situated on the M54, just 12 miles from Jaguar Land
Rover, in the west midlands. This site is successfully
securing inward international investment. The Canadian-
owned giant Magna’s subsidiary Cosma recently confirmed
it would be investing in a high-tech car parts plant,
creating 300 new jobs. Swedish-owned Filtermist opened
its brand-new global headquarters on the same site
recently.

The value of the fourth industrial revolution to Telford’s
economy cannot be overstated. It is bringing high-skilled
jobs, renewed optimism and record levels of employment
—and all to an area that has never had it easy. The last
blast furnaces blew out in the 1960s. The last of the
mines were closed in the 1970s. Then Telford was hit
hard by the recession in the 1980s and 1990s, becoming
an unemployment blackspot, and it once again suffered
in the recession of 2008-09.

Telford has a proven ability to adapt, innovate and
evolve. The Telford spirit first shown by the ironmasters
is ensuring that Telford continues to overcome obstacles,
find solutions to problems, and never give up. Once
again, Telford is leading the way. I pay tribute to the
excellent work of council officers at Telford and Wrekin
Council and to the Marches local enterprise partnership,
which has worked so hard to make this possible. It is
currently in the process of submitting a very fine growth
fund bid to the Department for Communities and Local
Government to further improve Telford’s ability to take
advantage of the fourth industrial revolution through the
Enterprise Telford initiative.

My right hon. Friend the Member for Bromsgrove
(Sajid Javid), who visited Telford on many occasions
when he was Secretary of State for Business, Innovation
and Skills, has always paid tribute to its success and
potential for growth in taking advantage of the new
economy. He very kindly told this House in June that he
will work with me in every way to secure Telford’s bright
future. I mention this now because in his new role at the
Department for Communities and Local Government
he will be considering the bids for growth fund money. I
will be reminding him of the fantastic work being done
in Telford, and particularly the merits of the Enterprise
Telford bid.

Revolution is all about new opportunity: the opportunity
to press a reset button and start all over again. In any
revolution, as the hon. Member for Ellesmere Port and
Neston (Justin Madders) eloquently said, there will be
winners and losers, but in the fourth industrial revolution,
as with the first, Telford is a winner.

4.11 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I
congratulate the hon. Member for Havant (Mr Mak)
and my hon. Friend the Member for Hove (Peter Kyle)
on securing this Back-Bench business debate on this
very important subject, and expressing my own personal
pleasure in having the opportunity to respond on behalf
of the Opposition on a subject that, as we have heard,
will no doubt return to many times over the coming
years. I welcome the Minister to his place. I am sure that
his time leading the Culture, Media and Sport Committee
has imbued him with enthusiasm for all things digital. I
look forward to hearing about the digital industrial
strategy that he has promised us. I am sure that as well
as being informed by the past, as his speech was, it will
look to the future.

There has been some debate about the origins and the
location of the first industrial revolution. Let me just
say that it was growing up in the powerhouse of that
industrial revolution, the north-east, that inspired me
to become an electrical engineer before moving to this
place. It is therefore with some pride that I have heard
so many hon. Members describe how information
technology is at the heart of the fourth industrial revolution.
I have been hugely impressed by the technological insight
and understanding displayed by so many Members in
all parts of the Chamber. That is something that this
House will increasingly have need of as we move into
the fourth, and fifth, industrial revolutions. It reflects
well on the House that we can have such a well-informed
and wide-ranging debate on the drivers of that revolution.

Hon. Members have spoken about the incredible
technological changes that we are witnessing and how
they herald astounding new opportunities: increased
connectivity, boosting productivity and social reach;
open data, inspiring creativity, bringing together previously
separate areas of the economy and empowering citizens;
smart meters in our homes, putting us in charge of our energy usage, as well as smart networks and smart grids, improving energy consumption; the use of 3D printers, enabling manufacturing at home; increased automation in industrial manufacturing; and machine learning, making us work faster and create more, which is vital for the UK to stay competitive in the 21st century.

My constituents in Newcastle have seen local government lead on embracing those opportunities. Just last week, Newcastle City Council launched free outdoor wi-fi across the city, benefiting consumers, citizens and businesses and enabling them to reach out to new and improved markets.

As many Members have said, those opportunities also bring challenges. We have a new set of intermediaries, such as Uber and Deliveroo, whose workers are disempowered and to whom they are unaccountable. How much real power does the Uber driver have in relation to Uber? This informal gig economy gives workers little security and few rights. These new business models can also put downward pressure on wages and move business risk on to ordinary people, causing stress and a lack of security, as my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) has said.

In addition, citizens and consumers face threats to their identity and data. For example, to download an application from the Google Play store, people must first have a Google account, which is used to identify and control their device. How many consumers know that? Indeed, how many MPs in this Chamber right now know who has their data and what they are doing with them? How can we give citizens the skills, as well as the necessary connectivity, to participate fully in the digital economy?

The rise of the algorithmic software application brings many of those challenges to the fore. I have been told that a well-known web-dating application has optimised its match-making algorithm for short-term relationships. That maximises its revenues but leaves consumers entirely powerless to verify where the interests of that algorithm lie.

I am proud that I was the first MP to mention the internet of things in this House. I did so more than five years ago and I believe that it can change our lives more than any technology since electricity, but its lifeblood is data and we have no legislative framework for that. All those challenges have huge implications for the economy and our society, as Members have said. Low, unstable wages prevent people from participating fully in the economy, and they remove demand from it. They also bring higher costs to the public sector, either through a larger demand on benefits or increased reliance on public services. Vulnerability to hacking destroys businesses and livelihoods: it creates instability, which is exactly the opposite of what we want for the economy in the years ahead. In addition, if citizens lack confidence in what happens to their data when the entire economy is digital and based on data, they will lack confidence in our economy.

On skills and connectivity, the digital divide means that whole groups could find the new economy inaccessible. The ever-expanding digital world should be designed not only for a small segment of the population.

I am a digiphile and proud of it, but digital power has not even begun to be distributed fairly. We need more women in technology and better representation of working people and ethnic minorities, so that the fourth industrial revolution represents us all. In fact, the fourth industrial revolution needs a Labour movement to go with it, to create a truly progressive digital economy and to protect those who work in it. Harold Wilson said in his famous 1960s “white heat of technology” speech that innovation is driving us in a new direction, but we need leadership to embrace the changes and to ensure that that direction is for the benefit of us all. The Government’s Digital Economy Bill would be the perfect opportunity to provide such leadership, but it is a squandered opportunity. The Government are managing simultaneously to bury their head in the sand and to jump on any passing bandwagon; that is quite an achievement.

On broadband infrastructure, the Government tendered for failure, designing a process heaped with delays that managed to pay BT to create a new monopoly, which still does not meet the needs of the British people. On data rights and fraud, the Government refuse to deliver a legislative framework that people can understand and rely on. The new digital age needs a new set of digital rights. Who owns my data? Who owns my identity? That requires active participation by digitally savvy citizens, consumers and workers.

As my hon. Friend the Member for Aberavon (Stephen Kinnock) has said, while the Government should be setting out a vision for our digital future—one that encompasses the new Department for Business, Energy and Industrial Strategy, Innovate UK, the research councils, the manufacturing catapult, which the Minister mentioned, and the digital catapult, which I do not think he mentioned—they are instead squabbling over their un-plan for Brexit. We have been told that “Brexit means Brexit”, but we have been given no details about what that will look like.

On immigration, the Prime Minister has ruled out a points-based system, but she has given no indication of how the UK’s flourishing technical sector, which is part of the basis for the fourth industrial revolution, will be able to employ or retain people with the skills that it needs. The Government are also failing to make plans to bring the benefits of the digital single market to the UK. The Government need to focus on the new economy. They must respond to the challenges of identity, data, algorithms, labour rights and digital inclusion.

We must not suffer from the faults of the first industrial revolution, which my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) highlighted. We do not want the modern-day equivalent of nine-year-olds going down mines, or of limbs being lost in the unguarded looms of the workplace. Labour Members will work to bring about a progressive industrial revolution, and we hope that Conservative Members will see the future and want to be part of it.

4.23 pm

Mr Mak: We have had a positive, insightful and wide-ranging debate, and I thank the hon. Member for Ipswich (Peter Kyle) for co-sponsoring the motion. He gave an eloquent and impressive speech, and I was particularly pleased to hear references in it to Margaret Thatcher. The hon. Gentleman is a great credit to his party.
I thank the Minister for his full response. I was heartened by his commitment to ensuring that the fourth industrial revolution has an important place at the heart of the Government’s new industrial strategy. As the Government move forward with their proposals, it is important to make sure that the fourth industrial revolution is built in, and not bolted on, to their strategy. I was particularly heartened to hear about the Minister’s personal involvement in the fourth industrial revolution, including his flat-pack car, which I look forward to seeing in action.

I thank all hon. Members who have spoken, from across the House, for their speeches and for the time and thought that they have put into preparing for today’s debate. It was good to hear about the excellent examples—whether local businesses, universities, research centres, enterprise zones or other forms of engagement—from constituencies across the country of engagement in the fourth industrial revolution. This must be a national success, not just a regional one. I thank the Opposition Front-Bench representatives for their contributions, because this is an important cross-party issue.

Britain is in a strong position to become a world leader in the fourth industrial revolution. We must adopt the pro-free enterprise, pro-innovation approach that has given the country success in the past. I thank the House for the opportunity to debate this important issue.

Question put and agreed to.

Resolved,

That this House acknowledges that the UK is in a strong economic position to take advantage of the Fourth Industrial Revolution; welcomes the view of the World Economic Forum that fusing physical, digital and biological technologies can promote further economic growth; notes that small and medium-sized businesses across the country contribute invaluable expertise and market leadership; and calls upon the Government to continue introducing and supporting policies that keep the UK at the forefront of this revolution in the future.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Madam Deputy Speaker. As you will be aware, very important concerns have been raised in House about the leaking of a draft report from the Committees on Arms Export Controls, of which I am a member. I share the deep concerns about the leaks and their ability to frustrate our proceedings. May I ask you, first, to provide us with an update on that process?

I wish secondly to raise a separate matter relating to the Committees on Arms Export Controls. Madam Deputy Speaker, you will be aware that the Committees are formed of four constituent Committees—the Defence Committee, the Foreign Affairs Committee, the International Development Committee and the Business, Innovation and Skills Committee, which I am sure will be replaced by the new Committee. Members of all those Committees are allowed to attend the Committees on Arms Export Controls, to take part in their proceedings and to vote. Given the very serious matters that the Committees are investigating at the moment, is it in order for their members to withdraw from the proceedings at a crucial moment to frustrate other members moving on to formal consideration of such matters in the Committees—they declared that they were withdrawing with the express intent to prevent such proceedings from taking place—with the knock-on effect that other members of the constituent Committees were not therefore able to speak, vote or take part in the further proceedings of the Committees? Is that in order, because it seems to me that it is not? These are very important matters, and Parliament should be able to proceed in holding the Government to account.

Madam Deputy Speaker (Natascha Engel): I thank the hon. Gentleman for notice of his point of order. I am aware that he has spoken to the Clerk of the House and the Speaker’s Office. The hon. Gentleman is aware that this point of order was raised both yesterday and earlier today, and the Speaker gave a very full response on both matters the hon. Gentleman raises.

On the first matter, there has not been an update, other than what the Speaker said during points of order today. He was very clear to say that this is not actually a matter for the Chair. It is not for the Speaker of the House of Commons to decide what is proper conduct or what is disorderly in Select Committees. Individual members of Committees are certainly allowed to leave whenever they want to. Again, whether the timing of that has been decided elsewhere is not a matter for the Chair—either me or, indeed, the Speaker.

The Speaker has said very clearly that it is for the Liaison Committee to look at this matter and then for the Committee concerned to decide whether it is serious enough for it to make a special report which would be referred to the Privileges Committee. That is the proper way to proceed. If the hon. Gentleman looks at Hansard, he will see a very full exchange between the Chairs of the Foreign Affairs Committee and of the Defence Committee and Mr Speaker during points of order today. I refer the hon. Gentleman to the answers that the Speaker has given. I thank him for advance notice of his point of order.
4.28 pm

Bob Blackman (Harrow East) (Con): I thank Mr Speaker for granting me the opportunity to raise the plight of religious minorities in Bangladesh. It is apposite that this debate is being held today, because it is exactly the first anniversary of the visit to Bangladesh by the UN special rapporteur Heiner Bielefeldt.

I welcome my hon. Friend the Member for Reading West (Alok Sharma) as the newly appointed Foreign and Commonwealth Office Minister with responsibility for the Indian subcontinent. It is clearly a very well-deserved appointment, and I look forward to working with him over the coming years to further good relations between the UK and the countries of the Indian subcontinent.

I am chairman of the all-party group on British Hindus, and I have chaired a number of meetings at which the plight of Hindus and other religious minorities has been raised. I have also had the opportunity to visit Bangladesh on two occasions to participate in social action projects, as well as to meet the leaders of all political parties in Bangladesh and the President. At every opportunity, I have raised the plight of religious minorities and requested further action by the Government of Bangladesh to safeguard those minorities. I have seen at first hand the challenge of assisting some of the poorest people in the world to achieve their full potential, but also the determination of those people to do so.

I recently tabled early-day motion 351 on the plight of religious minorities in Bangladesh, which has so far been supported by 31 hon. Members. The UK has a very long history of assisting Bangladesh, stretching back to the battle for independence and attempts to combat the atrocities that were committed.

The widespread and persistent violations of human rights and the persecution of minority religious groups—Hindus, Christians, Buddhists and other tribal communities in Bangladesh—by the extremist armed groups are deeply worrying to all concerned within the country and in this country. Holding this debate today will highlight the deteriorating human rights situation in Bangladesh.

Religious extremism and terrorism exploit multiple societal failures in the middle east, south Asia, east Asia and the Russian Federation, but they also rely on ideologies that reject secular governance as illegitimate. The atrocities of 9/11, the Madrid bombings, the London attacks, the Bali bombings and a large number of other acts of religious violence pose a dire and unique challenge to peace and security throughout the world. The recent ISIL-inspired jihadi attack in Bangladesh’s capital of Dhaka against innocent diners at the Holey Artisan Bakery, which I had the opportunity of visiting in the past, highlights the seriousness of the enduring threat to the peace and security of the country.

The terrorists who commit such dreadful crimes are not organised as a single worldwide hierarchical group; they are small autonomous clusters or cells, whose principal common link is a millenarian ideology. They are dedicated to the destruction of secular government and the advent of a society based on an imagined model of the early 7th century. Local problems everywhere are exploited as one means to attract people to that world view, aided by funding from wealthy patrons and the Governments of certain Islamic countries. It enables extremists to recruit devout members of society, who are discontented for various reasons, to participate in acts of terrorist violence to attain martyrdom.

The world cannot forget the scale of the suffering of the people of Bangladesh and especially the grim fate of its Hindu minority during the war of liberation in 1971. That ranks with the worst massacres in history alongside the holocaust, the Armenian genocide during world war one and Rwanda. Indeed, assaults on minority communities have been rife in Bangladesh since before the partition of India in 1947. The Bangladesh Government estimate that during the independence struggle of 1970-71 up to 3 million people were killed and 200,000 to 400,000 individual rapes occurred, in which even the most senior Pakistani officer of the province, Lieutenant General Niazi, participated without restraint.

According to one report the mass murder of boys and young men denuded entire communities and was the world’s worst gendercide in half a millennium. To quote from a report at the time, Robert Payne wrote:

“For month after month in all the regions of East Pakistan the massacres went on. They were not the small casual killings of young officers who wanted to demonstrate their efficiency, but organized massacres conducted by sophisticated staff officers, who knew exactly what they were doing...soldiers...went about their work mechanically and efficiently, until killing defenceless people became a habit like smoking cigarettes or drinking wine...Not since Hitler invaded Russia had there been so vast a massacre.”

Terrorism in contemporary Bangladesh is motivated not only by the aim of exterminating or expelling its minorities and creating an unsullied theocracy at home, but by a global agenda. That is why events in Bangladesh are of grave concern to the wider global community, and to us in the UK. Bangladesh is the fourth largest Islamic society in the world, and the deepening roots of religiously motivated terrorism there pose a significant challenge to peace and security in a world already besieged by terrorism from other sources. A handful of determined killers, influenced by intensifying extremist ideology in their country of origin and the right to visa-free travel as EU or US nationals, will create an additional nightmare for national security agencies.

I would like to put on record some key statistics relating to Bangladeshi minorities. The number of religious minorities in Bangladesh, including Hindus, has been declining rapidly. In 1947, religious minorities accounted for 34% of the population. By 1971, that figure had been reduced to 19.8%. Two years ago, it had reduced to 9%. The political parties of Bangladesh are not committed to restoring the original spirit of the liberation war of 1971 and the Bangladesh constitution of 1972. The Enemy Properties Act 1965 is still in force in the name of the Vested Property Act, enabling the seizure of Hindu properties in a blatantly discriminatory way. Since independence, Governments have failed to protect places of worship of minorities in Bangladesh. The restoration of the important religious sites of Ramna Kalibari Temple and Ma Anandamoyi Ashram is still pending. The Debottar land of Shree Shree Dhakeshwari national temple has been “grabbed” and reduced from 6.75 acres to 2.75 acres—a drastic and unjustified reduction.

Demographic changes are clearly being instigated to reduce Hindu-Buddhist-dominated districts, particularly...
in Chittagong Hill Tracts. Cases relating to persecution and oppression inflicted upon minorities are not being investigated by the authorities. No one is being brought to justice. There is no minority Ministry or Department to oversee the interests of religious minorities and regulate policy matters to redress sufferings and issues related to them. There is no budgetary allocation for religious minorities in the national budget and no special law to protect their specific interests. Secular political parties are under threat and secular Bangladesh is gradually turning into a land of political thugs and religious extremists. I regard the first duty of any Government to protect their own borders. The second duty is to protect the rights of the minorities who live within those borders.

I want to highlight some of the key findings of the UN special rapporteur on freedom of religion and beliefs, Heiner Bielefeldt, who visited Bangladesh from 31 August to 9 September 2015. He said:

“The religious demography in Bangladesh has changed considerably in recent decades, mostly as a result of migration. When the demography changes rapidly, this can pose some challenges to the religious harmony in the country. This risk is even higher, if certain minorities feel vulnerable and insecure.”

Islamic radicalisation has been on the rise in Bangladesh and has caused a mass migration of Bangladeshi minority communities, including Hindus, Christians and Buddhists, who believe their lives are in danger if they do not convert to Islam. It is a huge challenge that the Government of Bangladesh are battling every day, as the unfortunate incidents of persecution continue to be on the rise. The UN special rapporteur attributes the rise of Islamic fundamentalism in the country to the growing influence of ultra-conservative interpretations of Islam stemming from the Gulf region. The atrocities carried out on the minorities, particularly on Hindus, come in many forms. It may be useful to look at the history of them in Bangladesh. The UN special rapporteur’s report says:

“Unsettled property disputes constitute challenges in many societies, including in Bangladesh. In various ways, they are closely linked with problems concerning freedom of religion or belief. One link is the salient decline of the Hindu population in Bangladesh, which has shrunk significantly since the time of independence. The Government of Pakistan initially instituted the designation of minority owned land as ‘enemy property’ under the provisions of the Enemy Property Act of 1965. That entire property was confiscated. In reality, much of the confiscations when one Hindu member of a family left the country, the family’s left the country for any reason, whether temporarily or permanently, the Government of Pakistan in 1971, the newly formed Bangladesh retained the inequitable provisions of the Enemy Property Act through the 1974 Vested Property Act. Hindus remained the main target, and the Vested Property Act caused many Hindu families to emigrate to India and other countries. As in many instances, when a person left the country for any reason, whether temporarily or permanently, they were designated as an ‘enemy’ under the Vested Property Act and their property was ‘vested’ or seized by the State. Frequently, when one Hindu member of a family left the country, the family’s entire property was confiscated. In reality, much of the confiscations carried out amounted to sheer land grabbing.”

The increasing influence of Daesh, or ISIL, is known to us here in the UK, and our Home Office has reported as follows:

“There is a high threat from terrorism in Bangladesh. Since September 2015, Daesh has claimed responsibility for a number of terrorist attacks in Bangladesh. In late September and early October 2015 two foreign nationals were shot and killed. Since then and as recently as July 2016, attacks against religious minority groups including the Hindu, Christian, Buddhist, Shia and Ahmadiyya communities, have killed several people and injured many more. Previous methods of attack have included crude explosives, grenades, shootings and knife attacks. On 1 July, a terrorist attack at the Holey Artisan Bakery in the Gulshan 2 district of Dhaka resulted in the death of 20 hostages, mainly foreign nationals and 2 police officers. Daesh has claimed responsibility for this attack.

Groups affiliated to Al Qaeda in the Indian Sub-continent...are also active and have claimed responsibility for the murder of a number of people who they consider to have views and lifestyles contrary to Islam. Online activists, including secular bloggers and two members of the LGBTI community, have been murdered most recently in April 2016.”

The global community has a stake in engaging with the Government and people of Bangladesh to combat religious extremism, which is a serious threat to our own citizens as well as those of Bangladesh. Attacks by such extremists against minorities are only the first step in intimidating and imposing their authority on communities. That is why it is vital to encourage and assist the Government of Bangladesh to act by investigating and prosecuting heinous crimes such as gang rape, frequent seizures of private property and desecration of religious places. A permanent haemorrhage of the minority population, fleeing abroad to escape grim oppression, only weakens the moral standing of established authority, and eliminates voters who support politicians committed to human rights. The final stage of the triumph of extremism is likely to be the empowerment of political authority that has a benign attitude towards it because extremists have sunk deep roots in society and can mobilise to demand acceptance of their views. That scenario will be familiar from recent experience elsewhere in the world.

Just this year, a large number of priests, preachers and followers of minority religions have been killed by Islamist militants in a series of acts, and have gone missing.

Hindu priest Jogeshwar Roy Adhikari in the Panchagarh district, Hindu priest Ananda Gopal Ganguly in the Jhenaidah district, Nityaranjan Pande in the Pabna district, Nikhil Chandra Joarder in the Gopalganj district, Sulal Chowdhury, and Hindu priest Shyamananda Das were all hacked to death. They were literally cut up before people’s eyes. The veteran saint Sadhu Paramananda was murdered, and a Hindu businessman, Tarun Dutta, was beheaded in the Gaibandha district. Hindu devotee Pankaj Sarkar, of the ISKCON temple in the Satkhira district, was brutally stabbed. College lecturer Ripan Chakraborty, of the Madaripur district, was chopped to pieces in front of his class.

Several bloggers, human rights activists, atheists and authors, including foreign nationals, have been hacked to death in the past two years. I will not go through the list of those individuals but I will make it available to the House for its consideration. All those people have been murdered for a simple reason: their religious beliefs or way of life do not fit with this extremist ideology. Hindu shrines, temples, monasteries, congregation and cremation lands in Bangladesh are now the prime targets of Islamist extremists in Bangladesh. It is apparent that all the Islamic outfits based on radicalism and onslought, particularly those I have mentioned, in districts throughout Bangladesh are growing fast and operating armed camps to propagate hatred against non-Muslims. Their ultimate goal is to transform Bangladesh from the secular state that it was always intended to be into an
ultra-conservative Islamic state. That is set out by the writer Bertil Lintner. I will not go into his report, but it is available for the Minister, should he wish to have some light reading; it is only about 500 pages long.

I therefore ask the Minister to raise the following key recommendations from the Bangladesh Hindu Buddhist & Christian Unity Council with the Government of Bangladesh. Laws for the protection of minorities, such as a human rights Act and a minority protection Act, and for the protection of places of worship need to be implemented as fast as possible. A minorities rights commission should be created to safeguard minorities' rights. The discriminatory laws that exist, especially the Vested Properties Act, should be repealed. The UK Government should make a recommendation to the Bangladeshi Government for a United Nations special taskforce to investigate the disappearance between 2001 and 2011 of over 900,000 Hindus from Bangladesh, as noted in the European Parliament resolution on the situation in Bangladesh in 2013.

The Government should also publicly condemn attacks against members of the Hindu community and other minorities. Decisive action is required to protect members of minority communities against these attacks. A full, impartial and independent investigation of all such attacks should be initiated and the results of the investigation made public. All the perpetrators of the attacks should be brought to justice, regardless of their position in society or membership of a particular political party. The victims of the attacks and their families should be provided with compensation.

There should also be a crackdown by the Bangladeshi Government on all Islamist terrorist organisations in the country. An independent inquiry commission should be set up to investigate the incidents and to bring the perpetrators to justice. Action is still required to ensure representation of these minorities in every sphere of the Government and in the Bangladeshi Parliament. The UK Government should give careful consideration to minorities who are already in United Kingdom who have applied for asylum on the basis that they are seeking refugee status for their protection.

A wealth of information is available backing up what I have said in the House today—evidence of the attempt literally to purge Bangladesh of all religious minorities other than the Islamic majority. It is incumbent on us as parliamentarians to protect religious minorities, wherever they are in the world, but particularly those in Bangladesh, which has so much potential. We have had a unique relationship with Bangladesh over the years. I look forward to the Minister giving a positive answer to the points I have made.

4.49 pm

Fiona Bruce (Congleton) (Con): I thank my hon. Friend the Member for Harrow East (Bob Blackman) for securing this debate and for the sensitive way in which he has presented some very traumatic information. While Bangladesh rarely makes the headlines in this country’s national press, my hon. Friend has had a long-running concern about the welfare of the people of that country and their freedom to express minority views of both religious and political sentiment.

I am speaking first as a member of the International Development Committee, which had hoped to visit Bangladesh during the past year, but unfortunately we were advised not to do so due to security concerns. Secondly, I speak as chair of the Conservative Party Human Rights Commission. I am currently conducting an inquiry into the shrinking space of civil society across many countries in which DFID is providing UK aid. That inquiry has taken evidence from both politicians and human rights activists from Bangladesh, who have confirmed the overall picture that my hon. Friend has painted of escalating violence and increasing concern about the protection offered to religious and political minorities, including by the state authorities.

I have been assisted in preparing for the debate by the all-party group on international freedom of religion or belief and by Christian Solidarity Worldwide, which has recently completed a fact-finding mission to Bangladesh. I will not go into all the detail, which would largely echo my hon. Friend’s evidence today, but I invite colleagues to look at the website at csw.org.uk as it contains more information.

I want to reflect on two background aspects to the concerns my hon. Friend has raised. First, there is concern about freedom of the press in Bangladesh. As we know, protection of religious minorities is often greatly enhanced by the protection of a free press. Therefore, it should appropriately be of concern to this House that a number of high profile editors and journalists in Bangladesh have been arrested over the last few years. Earlier this year, Mahfuz Anam, editor of The Daily Star, Bangladesh’s most popular newspaper in English, was arrested. He currently faces no fewer than 79 cases against him, 62 for defamation and 17 for the very serious charge of sedition. There is a real logistical challenge for him to defend himself because all his trials are being held in different parts of the country, and even appearing for them is a major logistical problem.

Mr Anam is reported to be the victim of a campaign that has allegedly been encouraged, if not orchestrated, by the current Government of Bangladesh over his printing of allegations of corruption. Reports tell of the Government putting pressure on his newspaper’s advertisers to withdraw their money and pressure being put on other press institutions to refrain from criticising the Government.

I also want to reflect on the political context of the concerns raised by my hon. Friend. In January 2009, Sheikh Hasina and her party, the Bangladesh Awami League, took power through controversial general elections held in December 2008 and were re-elected in 2014, but DFID commissioned an independent expert report on those elections and their legitimacy was questioned. The report states:

“Recent election processes have had escalating levels of shortcomings, relating to the election commission’s ability to provide for neutrality, integrity, and freedom from undue influence, intimidation and violence.”

We all recognise that often in the context of religious persecution where there is intimidation against the press or political opposition, it paves the way for broader persecution against a range of minorities, and so the rule of law is increasingly undermined in favour of protecting the interests of a ruling party. Prime Minister Sheikh promised in her 2014 manifesto that the
“religious rights of every people would be ensured and the state would treat equally with every citizen irrespective of their religion, culture, gender and social status.”

Sadly, subsequent events do not appear to bear out this manifesto pledge.

I should like to turn now to the persecution of atheists. Some Members might be surprised at my wanting to defend those who have no religious belief, but it is essential in defending the rights of those who have a religious belief we should also defend those who choose to have none at all. This is particularly important in Bangladesh. Unfortunately, violence against atheists has led to an increase in confidence among those who are attacking non-Islamic communities, whether of any belief or none. Since 2013, Islamic extremists have regularly called for violence against atheist writers and bloggers. Killings have occurred with disturbing frequency, and there was a string of high profile murders in 2015.

I highlight the following case to the House. There are a number of others which bear striking similarities. Mr Avijit Roy was a well-known champion of secularism through his blog Mukto-Mona. On the evening of 26 February 2015, Mr Roy and his wife were returning home from a fair by rickshaw. At around 8.30 pm, they were attacked near Dhaka University by assailants. Mr Roy was struck and stabbed in the head with sharp weapons. Mrs Roy was slashed on her shoulders and the fingers of her left hand were severed. Both of them were rushed to Dhaka Medical College hospital. Sadly, Mr Roy died at 11.30 that night.

Mr Roy’s wife survived, and she has openly criticised the lack of response from the Government to the murder, as have others. Strikingly, even the Prime Minister’s son, Sajeeb Wazed, has acknowledged that the Prime Minister is unwilling to show public support for Mr Roy’s widow, as we are told, to a fear that the Government would be accused of siding with the atheists. The lack of faith among the atheist community that the Government will protect them is unsurprising when we reflect that Inspector General A. K. M. Shahidul Hoque and Home Minister Asaduzzaman Khan have warned atheist bloggers against expressing their views online. The first warned them not to “cross the line”, and the latter stated that the Government themselves would take action against those “who defame religion in blogs and on social media”.

I want to turn now to reports relating to the persecution of Christians. Last year, a 57-year-old Catholic priest, Father Piero Arolari, was shot in Dhaka by three assailants of Christians. Last year, a 57-year-old Catholic priest, Father Piero Arolari, was shot in Dhaka by three assailants of Christians. Fortunately, violence against atheists has led to an increase in confidence among those who are attacking non-Islamic communities, whether of any belief or none. Since 2013, Islamic extremists have regularly called for violence against atheist writers and bloggers. Killings have occurred with disturbing frequency, and there was a string of high profile murders in 2015.

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life. The UK cares deeply about what happens in Bangladesh. We want it to be economically successful and to maintain its rich tradition of accepting people of all religions and beliefs, and all backgrounds and cultures.

Religious tolerance is not just an end in itself; it goes hand in hand with economic prosperity. A country will reach its full potential only if it values and harnesses the power of all its people. As my hon. Friends have noted, however, the situation seems sadly to be moving away from, not drawing closer to, that aspiration for tolerance. The threat against minority groups and foreign nationals has intensified. My hon. Friends mentioned Hindus, who have suffered the largest number of attacks, but there has also been a rise in attacks against Sufi, Shi’a and Ahmadiyya Muslims, as well as Christians, as was mentioned by my hon. Friend the Member for Congleton. Such attacks run counter to Bangladeshi traditions of mutual respect and peaceful coexistence.

When Bangladesh was last debated in the House at the end of June, hon. Members raised concerns about the political situation, about freedom of expression, and about the number of attacks against those whose views and lifestyles appear contrary to the teachings of Islam. Since then, we have seen further shocking incidents of extremist violence against minorities and foreign nationals across Bangladesh. As my hon. Friend the Member for Harrow East noted, on 1 July, 22 people died in the appalling attack on the Holeo Bakery café in Dhaka’s diplomatic zone. Also in July, the Sholakia Eid congregation was targeted and there were separate attacks on Hindus, including a deadly attack on a Hindu priest. On behalf of the UK Government, I utterly condemn all these attacks. Many have been claimed by Daesh or groups affiliated to al-Qaeda in the Indian Subcontinent—that is a clear demonstration of the global and shared threat posed by these extremist groups.

Terrorism is a global threat that faces all of us, and we stand shoulder to shoulder with Bangladesh and all our partners in the fight against terrorism, but it is clear that extremism flourishes where there is a culture of intolerance and impunity, or where space for democratic challenge and debate is lacking. I of course welcome Prime Minister Hasina’s “zero-tolerance” stated approach to countering extremism and terrorism, yet it is vital that the Government of Bangladesh also make it clear that they will uphold and protect the fundamental rights of all their citizens: the right to life; the right to religious freedom or belief; and the right to freedom of expression. Underpinning and guaranteeing all of those is the right to justice for all. Mass arrests, suspicious “crossfire” deaths and enforced disappearances at the hands of the police undermine confidence in the judicial system. Investigations must be conducted transparently and impartially, irrespective of the identity of either victim or alleged perpetrator. Anyone arrested should be treated in full accordance with Bangladeshi law—there must be no impunity.

When the former Prime Minister, my right hon. Friend the Member for Witney (Mr Cameron), met Prime Minister Sheikh Hasina of Bangladesh in May at the G7 meeting, he expressed concern that extremist attacks risked undermining stability and investor confidence in Bangladesh. While in Dhaka at the end of last month, the Minister of State, Department for International Development, my hon. Friend the Member for Penrith and The Border (Rory Stewart), also raised the issues of countering extremism and gaining access to British nationals in detention in Bangladesh in his meetings with Government representatives. I urge the Bangladesh Government to do everything they can to tackle this scourge of violence, to bring the perpetrators of these heinous crimes to justice, and to explore the root causes of these attacks.

The UK Government are supporting organisations that work to protect minorities in Bangladesh and that ensure that their rights are protected, both in law and through Government policy. Since 2010, the non-governmental organisations we support have defended the rights of more than 200,000 people in Bangladesh. This work ranges from advocacy at a national level to helping Dalit communities secure access to Government land meant for landless people.

My hon. Friend the Member for Harrow East mentioned the Chittagong hill tract. The advocacy that has been supported by the British Government has also persuaded the Bangladesh Government to establish a land commission to resolve land disputes in areas with a high proportion of ethnic and religious minorities, such the Chittagong hill tracts. UK support for civil society organisations promoting human rights and free speech in Bangladesh will continue under a new programme funded by the Foreign and Commonwealth Office’s Magna Carta fund for human rights and democracy.

Outside this House, a number of people have raised the issue of whether we should be imposing sanctions on Bangladesh to make it adhere to civil and political rights. With respect, I disagree with such an approach—let me explain why. Extremism and terrorism is a global threat, and one that countries must face together. Our development programme in Bangladesh, which is still one of our largest in the world, enables us to provide broad-ranging support to address some of the root causes of extremism, including poverty and economic marginalisation. Sanctions would hamper our ability to do that. We believe that the right approach is to engage with the Government of Bangladesh on areas of shared concern, such as countering terrorism and extremism, and promoting human rights for all. We will continue to do that. The UK Government have prioritised counter-extremism support for Bangladesh and we will identify areas where we can work with the Government of Bangladesh better to understand the problems of extremist views and to help counter them.

In their powerful speeches, my hon. Friends raised a number of points, which I will try to address. My hon. Friend the Member for Harrow East asked about the new laws being enacted in Bangladesh. As I have already noted, we have consistently called on the Bangladesh Government to protect religious minorities in the country. We continue to support advocacy to ensure that the rights of minorities are protected in Bangladeshi law and in Government policy.

My hon. Friend raised the issue of compensation. Compensation for the victims of attacks in the country is a matter for the Bangladesh Government to address. I urge them to ensure that all attacks are investigated transparently and impartially and to consider carefully the need to provide remedy to victims.

My hon. Friend also raised the issue of refugee status. Of course immigration status is a matter for the Home Office, and I refer him to that Department for its
consideration. He mentioned the United Nations in this regard. As he pointed out in his own speech last September, the UN special rapporteur on freedom of religion or belief visited Bangladesh. We urge the Bangladesh Government to implement the recommendations in the rapporteur’s report, which includes a call for the Government to “protect the vibrant civil society and pluralistic society in Bangladesh.”

That is the right approach to take.

My hon. Friend the Member for Congleton talked about the press. I absolutely agree that a vibrant civil society and media, with the ability to discuss and debate freely, are fundamental to building democracy. Indeed, the charges brought against newspaper editors, even if they are eventually dismissed by the courts, can be seen as a form of harassment and intimidation. She talked about what we are doing to support bloggers and others who find themselves under attack. I can tell her that, in addition to ongoing public and private diplomacy, we have funded safety training for bloggers in Bangladesh. We have supported a review of its Information and Communication Technology Act to bring it into line with international standards and help lawmakers to develop a better understanding of international standards on hate speech. I have already mentioned that the new programme funded by the Magna Carta fund for human rights and democracy is promoting freedom of expression and aims to protect those who exercise it.

Finally, my hon. Friend talked about the work that is being done by the Department for International Development. We are the largest grant aid donor in Bangladesh, allocating in this financial year of 2016-17 around £162 million. Our support focuses on improving the provision of basic services, supporting private sector development skills, and reducing the risks to development, especially those related to governance and natural disasters. I wish to make it clear that no UK aid is paid as direct budget support for the Government of Bangladesh. About one third of UK aid to Bangladesh goes to the Government as reimbursement for agreed activities or results and, as we all know, we are very clearly focused on that.

I hope that I have been able to address many of the issues that have been raised by my hon. Friends but, as I have said, if they wish to write to me on any particular issue, I will of course respond to them in a substantive manner.

As I have already outlined, the UK and Bangladesh share a set of values—they are core Commonwealth values—and they include a commitment to parliamentary democracy, inclusive communities, free speech and tolerance. As Bangladesh progresses from least-developed country status towards middle-income country status, it will need more than ever to promote and defend its people’s rights—the right to an effective justice system, the right to a vibrant civil society, the right to a free media and the freedom to hold authority to account. The British Government will continue to encourage Prime Minister Hasina to deliver on those commitments and to uphold the international human rights standards that Bangladesh has pledged to uphold as a member of the UN Human Rights Council.

Question put and agreed to.

5.14 pm

House adjourned.
The Secretary of State for Defence (Michael Fallon): The campaign against Daesh is making steady progress. With coalition support, Iraqi forces have freed Fallujah and, as part of preparatory operations for retaking Mosul, have liberated Qayyarah town. The Syrian Democratic Forces have taken Manbij and Turkish-backed opposition forces have taken Jarabulus and al-Rai, effectively denying Daesh its last border crossings into Turkey. As we approach the second anniversary of our military operations, I should like to pay tribute to the men and women of all three services, who work tirelessly to defeat Daesh and to keep Britain safe.

John Glen (Salisbury) (Con): What assessment he has made of progress in the campaign to counter Daesh.

Michael Fallon: The infrastructure targets that the RAF has been attacking in recent months have included oil installations to reduce the revenue that Daesh has been getting from oil trading. Sealing the border, too, will help to stop the flow of illicit goods and, indeed, oil across the border. We continue to work with our international partners to reduce the access of Daesh to the financial system.

Jack Lopresti (Filton and Bradley Stoke) (Con): May I ask the Secretary of State why it took a year for us to supply ammunition for the heavy weapons that we supply to the peshmerga in Iraq? Can he assure the House that such delays will never happen again, and that we are doing everything that we possibly can to help the peshmerga in their fight against Daesh?

Michael Fallon: We have supplied, as my hon. Friend knows, not only heavy machine guns to the peshmerga but ammunition for those heavy machine guns. I announced earlier in the summer a fresh gift from us of ammunition for those heavy machine guns, and I am very pleased to tell him that that ammunition has now arrived and is being used.

Tom Brake (Carshalton and Wallington) (LD): The US-Russia agreement to tackle Daesh will clearly have an impact on British forces. Is the Secretary of State able to say anything about the deployment of our Air Force there, or indeed of our special forces?

Michael Fallon: We do not, as the right hon. Gentleman knows, comment in this House on the deployment of our special forces in any country in the world, but he raises an important point about de-confliction of the airspace. At the moment, we are party to the agreement between Russia and the United States, and that agreement ensures that there is minimum risk of collisions or misidentification of aircraft. That, obviously, will continue to be the case after the ceasefire, which we hope will take effect tonight.

Luke Hall (Thornbury and Yate) (Con): May I ask my right hon. Friend to update the House on when the additional trainers that he has announced will be deployed to Iraq to support the liberation of the Iraqi people from Daesh?

Michael Fallon: I announced in June that we would be sending another 250 British troops to the al-Asad airbase in western Iraq to complement the Danish training programme, as part of what is called the building partner capacity effort. I am very pleased to tell my hon. Friend that the advance party from 4 Rifles arrived in the last few days at al-Asad airbase.

Brendan O’Hara (Argyll and Bute) (SNP): This is indeed a critical time for the future of Syria. May I add the voice of Scottish National party Members to those from across the Chamber in wishing the proposed ceasefire in Syria well? We echo the call for all sides in this awful conflict to observe the ceasefire.

Given that the ceasefire is vital to the campaign to defeat Daesh, may I ask the Secretary of State what discussions the UK Government have had with both
Michael Fallon: I am grateful to the hon. Gentleman for his earlier remarks. The UK Government have been involved in promoting this ceasefire all the way back from the original cessation of hostilities, which was announced at the Munich security conference. We have been part of the intense efforts to get and to keep moderate opposition groups around the table to negotiate a future settlement for Syria, and we have also been part of encouraging the ceasefire as well.

Brendan O’Hara: Talking of the moderate forces, what discussions have the UK Government had with the representatives of the 70,000 moderate troops, whom we were led to believe we were discussing ahead of last year’s decision to bomb Syria? Will the Secretary of State tell us what contact has been made and what assurances have been given by those moderate forces that this ceasefire will stick?

Michael Fallon: We have been in contact with exactly those moderate forces. Indeed, representatives from the different opposition groups in Syria were in London last week for precisely those kinds of discussions. We very much hope that the ceasefire will stick now. A large part of that will depend on Russia persuading the Syrian regime to back the ceasefire, but it is also important that it is properly respected right across northern Syria as well.

Nusrat Ghani: Challenging the death cult ideology of Daesh is vital if we are to tackle this type of terrorism. Will the Secretary of State update the House on the progress being made by the 34 Muslim nations, co-ordinated by Saudi Arabia, to defeat Daesh?

Michael Fallon: Yes, we welcome the efforts that are being made, led by Saudi Arabia. I visited the centre it has established in Riyadh to lead this effort to make it very clear that Islam is a religion of peace and to co-ordinate the various programmes of de-radicalisation that are already in force across the Arab world.

Clive Lewis: We all very much welcome the recent announcement of a ceasefire in Syria. As well as providing an opportunity for all sides to focus on defeating Daesh, it creates a space for further negotiations aimed at ending the conflict once and for all. The need for a negotiated settlement in Syria is as urgent as ever, particularly in light of horrifying reports of yet another chlorine attack in recent days. Will the Secretary of State tell the House a little more about the implications for the delivery of humanitarian aid to civilians in Syria under the ceasefire details?

Michael Fallon: I am grateful to the shadow Defence Secretary for what he has said and for his support. Getting humanitarian aid into Aleppo and some of the other towns and cities that have suffered is a key part of the ceasefire. I think one of the tests of the ceasefire will be whether the regime is really prepared to allow in these much-needed convoys.

Kevin Foster: Three 94-year-old south Devon Normandy veterans—Ferneley Nankivell, Alan Carncross and Robert Barbour DFC—are still waiting for the award of their Légion d’Honneur, and other veterans have passed away during the past year without receiving it. Will the Minister join me in calling on the French authorities to resolve this issue as a matter of urgency, and to look at whether the honour can still be awarded to those who have passed away since July 2014?

Mark Lancaster: The Légion D’Honneur is established by law in France, with set requirements for scrutiny and approval. Within those limits, the French authorities have done their utmost to expedite the issue of the awards. As in the UK, such honours and awards are generally not made posthumously. I can confirm that the cases of Mr Barbour and Mr Nankivell have been submitted to the French authorities. Unfortunately, there is no record of an application for Mr Carncross, but if one is submitted, I will ensure that it is expedited.

Mr David Hanson: I do appreciate the efforts of the Minister and the Department to ensure that individuals get their Légion d’Honneur medals, but like the hon. Member for Torbay (Kevin Foster), I still know of a large number of people who are qualified for the medal and have applied for it but have not received it. Is it possible for the Minister to carry out an audit of how many applications are outstanding in the United Kingdom, so that he can chase them up?

Mark Lancaster: The French have awarded approximately 3,500 medals, and we have sent the French about 4,300 applications. At the moment, the process is taking between six and eight weeks. I appreciate that that is still a significant period given the age of the cohort in question, but I can assure the right hon. Gentleman, who has pursued the issue persistently over the past year, that we have done everything we can to make the process as quick as possible given the circumstances and the age of the veterans involved.

Sir Edward Leigh: Through you, Mr Speaker, may I say as chair of the all-party France group that the French embassy is doing its best in difficult circumstances, and that if anybody has a constituent who has a problem, they should write to me...
and we will get the Légion d’Honneur to them straight away? These people deserve better, and we will do our best for them.

Mr Speaker: Of course, the hon. Gentleman is too modest to reveal to the House that although he is not himself a Normandy veteran, as is demonstrably apparent, he does hold the honour.

Mark Lancaster: I am grateful to my hon. Friend for the support that he offers. I can only repeat that we are keen to get applications expedited as quickly as possible. Although all of the cohort are of a certain age, if any hon. Member has a constituent about whom they are particularly concerned, I ask them to contact us and we will endeavour to get the Légion d’Honneur to them as quickly as possible.

Defence Spending: Small Firms

4. Victoria Prentis (Banbury) (Con): What steps he is taking to increase the level of defence spending with small firms.

10. Alberto Costa (South Leicestershire) (Con): What steps he is taking to increase the level of defence spending with small firms.

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): Small businesses are crucial for growth and innovation in this country, and we want them to take an increasing share of our growing defence budget. We are committed to achieving 25% of our procurement spend being with small and medium-sized enterprises by 2020. That target is 10% higher than the one set during the last Parliament.

Victoria Prentis: May I say how nice it is to see my hon. Friend in her place? May I drill down a little and ask her what steps she can take to ensure that the Ministry of Defence’s largest customers use small firms to deliver their contracts?

Harriett Baldwin: My hon. Friend is absolutely right that it is essential that we work on that not only in our direct defence procurement process but with our supply chains. I am delighted to be able to let the House know that the supply chain advocate network and the supply chains are well under way, and that last year the Ministry of Defence was able to have direct spend with almost 5,000 different companies.

Alberto Costa: What measures can the MOD take to reduce the regulatory burden on small firms such as those in my constituency when they make applications for defence equipment procurement?

Harriett Baldwin: My hon. Friend is right to highlight ways in which we can make the process easier for small and medium-sized businesses. For example, this year we removed the turnover requirement in the pre-qualification process, and we are working towards simplifying the contract terms and reducing them to just three pages.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I welcome the Minister to her new position. Will she take notice of what happens in Huddersfield, where we have David Brown Gear Systems and many other fine companies making things that our defence forces want? Will she dissociate herself from the term “fat and lazy”, which was used about British businessmen? We have no fat and lazy businessmen in Huddersfield.

Harriett Baldwin: Those were certainly not my words, and I pay tribute to the many businesses in Huddersfield and South Yorkshire that do such wonderful work in supplying the Ministry of Defence.

Richard Arkless (Dumfries and Galloway) (SNP): On Wednesday I raised the issue of an engineering company in my constituency that had gone into administration. I place on record my appreciation of the Minister, who, at very short notice, scrambled around and rearranged her diary to meet the administrators, who are in the Gallery today. We thank her very much. In advance of that meeting, will she agree to work with me and the administrators to leave no stone unturned, so that we can do our best to save valuable jobs and engineering experience at Penman?

Harriett Baldwin: The hon. Gentleman is working hard to represent the interests of his constituents; not only did he raise this case last week at Prime Minister’s questions but I am pleased to say that we will be able to meet him and the administrators later today.

Mark Pawsey (Rugby) (Con): In Rugby we are very proud of the contribution that GE Power Conversion is making to the Type 26 global combat ship programme; it is also important to recognise its contribution to the local economy through the orders it places with subcontractors and through local small businesses.

Harriett Baldwin: My hon. Friend is absolutely right to highlight that earlier this year we were able to announce contracts for some of the long lead-time items as part of that programme, and also to highlight the way in which small and medium-sized businesses play such an important role in that supply chain.

Kate Hollern (Blackburn) (Lab): It is interesting to listen to the Minister. I greatly support the aim of 25% of defence expenditure being with small and medium-sized enterprises by 2020. However, figures published last month showed clearly that only 2% of spending went to companies assessed as SMEs. The SME status of suppliers is determined by independent verifiers. Why has there been no assessment of new MOD suppliers since 2014? Is the Department resorting to creative accountancy?

Harriett Baldwin: I do not recognise the figures that the hon. Lady cited. I can confirm that in 2014-15 we spent 19% with small and medium-sized businesses. She will be aware that, as she highlighted, the contract with Dun and Bradstreet for evaluating the characteristics of different firms, which is a Cabinet Office contract, ended in 2014. We are in the process of discussing with Cabinet Office colleagues what the successor framework will be like.

Litigation Against the Armed Forces

5. Mr Dominic Raab (Esher and Walton) (Con): What steps he is taking to prevent abusive litigation against the armed forces.
6. Chris Davies (Brecon and Radnorshire) (Con): What progress his Department has made on protecting the armed forces from persistent legal claims. [906244]

The Minister for the Armed Forces (Mike Penning): We are determined to meet our manifesto commitment to ensure that our armed forces overseas are not subject to persistent legal claims that undermine their ability to do their job. I am continuing to explore the work that my predecessor did, working across Government to bring forward proposals in the very near future.

Mr Raab: I welcome the Minister’s statement and urge him and the Government to press ahead with reforms in this area, in particular with regard to the extraterritorial jurisdiction of human rights laws and civil law limitation periods, so that we have accountability for rare acts of wrongdoing, but do not subject those risking life and limb for their country to vexatious litigation by ambulance-chasing lawyers.

Mike Penning: My hon. Friend was in the same Department as me before I had the honour of taking on this role. It is very important that those who have done wrong are dealt with, but it is really wrong that tax-paid lawyers are chasing around the country trying to prosecute other people.

Chris Davies: Our armed forces are the best in the world and we must do everything to protect them, both on and off the battlefield. Many soldiers are based in barracks at Sennybridge and Brecon in my constituency; will my right hon. Friend assure me that the Iraq historic allegations tribunal will look very carefully at the claims made against British forces personnel and whether to reject those allegations, particularly following the demise of Public Interest Lawyers?

Mike Penning: I think we all welcome the demise of Public Interest Lawyers. It is for the regulatory authorities to look closely at what it did and how it earned its income. I trained at Sennybridge many years ago. I assure everyone in the armed forces that these Ministers and this Government are behind them and will make sure that we protect them as much as possible.

Mr Julian Brazier (Canterbury) (Con): I welcome my right hon. Friend to his place, and especially welcome the Minister’s statement and urge him and the Government to continue with these proposals. It is important that the military get on with their job, not having to deal with vexatious claims.

Mike Penning: I pay tribute to my hon. Friend for his work—not just as Minister for the Reserves but ever since he came to the House—for the reserves, in which he has served honourably, as well. Let us let the regulatory bodies do their work first and see what comes out of the other side, and then see whether any other processes, including perhaps even legal action, are needed.

Defence Procurement: Steel Industry

7. Christina Rees (Neath) (Lab/Co-op): What steps he is taking to ensure that the British steel industry and its workers benefit from current and future defence procurement.

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): We positively encourage bids from British companies to ensure they are in the best possible position to win future steel contracts. We have issued new policy guidance to address the barriers which might prevent UK steel producers from competing effectively in the open market.

Christina Rees: Now that Government Departments are mandated to provide information about the proportion of UK steel used in the Crown Commercial Service, will the Minister please tell the House what percentage of UK steel is used in current defence projects and what percentage will be used in future?

Harriett Baldwin: The hon. Lady rightly speaks up for steel production in her constituency. She will be very pleased to know that, for the largest project that the UK Government have ever procured that uses steel—she will be aware that that is the carrier programme currently under construction on the Clyde—the vast majority comes from Tata Steel. I believe it is 94%.

Tom Pursglove (Corby) (Con): I wholly support the increasing use of small firms for defence procurement, but will the Minister undertake to encourage those small firms to use British steel wherever possible?

Harriett Baldwin: My hon. Friend is absolutely right that it is a process of encouraging competition not only within the procurement process, but where there are long lead-time items. In our strategic defence and security review, we clearly set out the largest programme of investment in ships for some time, and there will be a lot of long lead-time items. Small business and producers will be able to work with those who are procuring contracts with prime contractors to find a place in that supply chain.

Kate Hollern (Blackburn) (Lab): Recent defence procurement decisions have failed to take into account the benefits to the UK economy gained by manufacturing domestically. A growing number of products, particularly steel, are procured abroad. Will the Minister therefore commit to assess the wider economic and social benefits derived from building the three new solid support vessels in the UK with British steel, and to share that information with the House?

Harriett Baldwin: The hon. Lady is right again to highlight the fact that, in our strategic defence and security review, we set out a programme in which we are investing in more ships and more aeroplanes, and there is more cyber-investment. She mentions the solid support ships. They will not be procured until later in the Parliament, but I assure her that we will do everything we can with those long lead-time items and the programmes that have been set out in advance to ensure that British companies, including British steel companies, have all the information they need to be successful.

1.[Official Report, 11 October 2016, Vol. 615, c. 4MC.]
Defence Procurement: Single-source Contracts

8. Nigel Mills (Amber Valley) (Con): What recent assessment he has made of the value for money obtained from single-source defence procurement contracts.

Harriett Baldwin: I thank the hon. Gentleman for mentioning apprenticeships and our commitment to continuing to work with our single-source suppliers. We can clearly see that they are some of the lead providers of apprenticeships across the defence procurement area.

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): Competition remains the best way of securing value for money but sometimes we need to place single-source contracts. We therefore established a new regime backed by statute with an independent regulator to ensure contract costs and profit rates are both reasonable and transparent.

Nigel Mills: I thank the Minister for that answer. If the Single Source Regulations Office to which she refers seeks to proceed with its current proposal to reform the profit rates on those contracts, will she commit that those changes will this time have the Government's support?

Harriett Baldwin: Yes, in March this year we reduced the profit rate on single-source contracts from 10.6% to 8.95%. The regulator will then recommend a rate for 2017, which we will consider carefully, along with its recommendation on multiple profit rates.

Mrs Madeleine Moon (Bridgend) (Lab): What steps will the Minister take to ensure that, where single-source contracting is placed abroad with, say, American companies, there are appropriate levels of set-aside, so that apprenticeships and the seed-combing for future capability in British defence companies are protected and facilitated?

Harriett Baldwin: The hon. Lady will be aware that that is an ongoing subject of discussion, and of the commitment that General Dynamics has made in Wales in the part of the world she represents to create 250 jobs in the supply chain for the Ajax vehicles.

Mr Philip Hollobone (Kettering) (Con): Whether contracts are derived from single source or open competition, unnecessary costs can be incurred when design specifications are changed after the contract has started, for example with the Type 45s. What steps is the Minister taking to ensure that late changes after contracts have started no longer occur?

Harriett Baldwin: The hon. Member for Stafford (Jeremy Lefroy) visiting the Signal Regiment at Stafford barracks. As we continue to draw down from Germany, Stoke-on-Trent and Staffordshire are enjoying an influx of highly trained personnel and, with them, the potential growth of telecom businesses. May I urge the Secretary of State to hold a meeting with the Stoke and Staffs local enterprise partnership to see how the Ministry of Defence can help to ensure that local businesses enjoy some input to their growth from the arrival of highly trained personnel and their military research at Stafford barracks?

Michael Fallon: I am happy to help to facilitate that meeting with the defence procurement Minister. I am aware there are a number of companies in the hon. Gentleman's constituency that have already submitted proposals to the Centre for Defence Enterprise. I think they have received some feedback. We are as anxious as he is that we capture that know-how for the future.

Marcus Fysh (Yeovil) (Con): I welcome the Government's recent partnership agreement with Leonardo's helicopters division on research into unmanned aerial vehicles. Will Ministers work with me to help to maximise the effect this will have on supporting design and engineering jobs in Yeovil?

Michael Fallon: We are very happy to do that. My hon. Friend will recall that at Farnborough we announced the signing of a 10-year strategic partnering arrangement with Leonardo, one of the most important defence companies based in Britain. I hope that that will help to enhance jobs in his constituency through further export success, and through the right technology and innovation that also meet our defence requirements.
Army Recruitment

11. Jim Shannon (Strangford) (DUP): What steps he is taking to address shortfalls in recruitment to the Army.

[906249]

The Minister for the Armed Forces (Mike Penning): We continue to invest in recruitment to attract the diverse and talented workforce we need now and in the future for our armed forces. Over 8,100 new recruits joined the regular Army last year, an increase on the previous year. In July, the trained strength of the Army reserve was 23,400, which is very close to matching the 30,000 we need. We will continue to work very closely with all parts of the country, in particular Northern Ireland.

Jim Shannon: I thank the Minister for that response. I understand that this is the first time that a boy soldier or someone from the ranks has risen to the position of Minister of State. I think that that is worthy of note in the House. As a help to Army recruitment, reserves in Northern Ireland have met their targets. Can the number of reserves in Northern Ireland be increased to take into account our positive recruiting environment?

Mike Penning: I thank the hon. Gentleman for his kind comments. We were close when I was a Northern Ireland Minister, and I visited his constituency on more than one occasion. I shall visit the Province in the near future when I meet 38 Brigade. The ceiling we have is not a ceiling in the sense that we do not want any more people from Northern Ireland; it is a question of whether the operational units are able to take them. I shall look closely at whether Northern Ireland can take more, and I would like to congratulate Northern Ireland on serving the Crown so well over so many years.

Mrs Flick Drummond (Portsmouth South) (Con): What steps is my right hon. Friend taking to address the shortfall to the Royal Navy, particularly among engineers? Has he had any discussions about providing short-term secondment to engineers from industry to serve on Navy ships?

Mike Penning: That is exactly what we are trying to do—to be as flexible as possible with the contracts to allow short-term and long-term secondment from industry. We are also talking closely with other navies, and particularly the American navy. There is a shortfall in specific areas. What we need to do is make sure that the offer we make, whether it be for marine engineers or any other part of the armed forces, is suitable for the 21st century. That is something I am determined to do.

Toby Perkins (Chesterfield) (Lab): I welcome the Minister to his post. One big issue he is taking on is how to assist the Government to achieve the Conservative election manifesto pledge for the Army not to fall below 82,000. He has spoken a bit about recruitment, but does he also recognise the huge issue of retention in the British Army? Does he think that what he is saying recognises the scale of the challenge the Government face in achieving that manifesto pledge? At the moment, it looks unlikely that they will achieve it.

Mike Penning: We are determined to fulfil the manifesto pledge, not only because it is a manifesto pledge, but because it is right for the Army in particular. I know how difficult retention can be because I purchased my discharge from the Army myself. I shall be looking carefully at what is making people leave. Are we offering them the right sort of service? Are we being as flexible as we can? For instance, when I left the Army all those years ago, I received a letter a couple of months later asking me whether I wanted to re-enlist. Let us make sure that that sort of thing continues to happen—when we have people in uniform, let us keep them in uniform.

James Cleverly (Braintrree) (Con): I welcome the Prime Minister’s commitment to an inequalities audit across the public sector. Given that the younger demographic from which the Army recruits is increasingly ethnically diverse, will my right hon. Friend commit to paying special attention to the recruitment, retention and promotion figures for black and minority ethnic service personnel?

Mike Penning: I would like to pay tribute to my hon. and gallant colleague for his service to Her Majesty when he was in uniform. If the armed forces are to work in the 21st century, they must represent the community from which they come. Whether we are talking about more BME or more women in the armed forces—we have a 15% target for women, which is a very high level—we must be careful to make sure that we promote the armed forces to those people, whatever part of the community they come from, so that they feel comfortable working in the armed forces. That is something I am absolutely determined to do.

Clive Lewis (Norwich South) (Lab): I add my voice to those who have welcomed the Minister to his post. He is, I think, in the hot seat on this particular issue. This Government might not be very good at meeting their own targets, particularly on Army recruitment, but Ministers at least deserve points for creativity. Their plan to grow the trained strength of the Army by changing the definition of “trained” might help with cooking the books, but it will not do a thing to address the actual problem. Will the Minister tell us whether he believes it is appropriate for personnel to be deployed on operations before completing their full training and, if so, how he can be confident that they will be adequately prepared?

Mike Penning: Let me say that I know from experience that some duties can be done once people have passed their phase 1 training. That certainly was done back in my time in 1974 when there was a Labour Government. If we are trying to recruit people, we need money, but Labour wants to cut money, and we need to be part of NATO, but the Labour party leadership wants to take us out of it. That is something that we would never do, but if they want to undermine our armed forces, they should do just that.

Richard Drax (South Dorset) (Con): I welcome my right hon. Friend to his place, and I would like to touch on Navy recruitment, if I may. Will he quash these rumours that we will not have enough trained sailors to man both our aircraft carriers when they are launched?

Mike Penning: We have not hidden the fact that it is very difficult to make sure that we do everything we possibly can, but we will do that. I was on the Queen
Elizabeth only the week before last and I watched our other aircraft carrier being built. When the particular moment comes, we will have the crews and these carriers will be the pride of the Navy.

**Defence Procurement: Type 31 Frigate**

12. Mr Douglas Carswell (Clacton) (UKIP): If he will make it his policy to co-operate with NATO members at the concept and assessment stage of the procurement cycle for the Type 31 frigate. [906250]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): While we must maintain the UK’s freedom of action to operate independently, interoperability with our NATO allies is fundamental to virtually all UK defence capabilities. For the general purpose frigate, the Royal Navy is already exploring how that could be delivered, and considering how the ship will operate within NATO.

Mr Carswell: Does the Minister agree that opening up more of the procurement process to a broader range of suppliers, and avoiding any hint of protectionism, may make it possible to keep the cost of replacing our frigates low?

Harriett Baldwin: The hon. Gentleman takes a close interest in defence procurement issues, and I know that, like the rest of the House, he will be eagerly anticipating Sir John Parker’s national shipbuilding strategy, which he has committed himself to publishing before the autumn statement. In that context, the hon. Gentleman will obviously be aware that complex warships can only be built in the United Kingdom.

Douglas Chapman (Dunfermline and West Fife) (SNP): When can we expect an announcement on the building of the Type 31s? We have the capability, we have the skills, and presumably we have the budget. Scotland expects!

Harriett Baldwin: Let me gently remind the hon. Gentleman that we are building these ships because we all decided to remain part of the United Kingdom. We are in the process of providing our armed forces with more ships, more aircraft and more equipment than ever before. As soon as we have a concrete timetable to announce to the House, we will do so.

**Type 26 and General Purpose Frigates**

13. Margaret Ferrier (Rutherglen and Hamilton West) (SNP): What changes have been made to the timetable for building Type 26 and general purpose frigates on the Clyde. [906251]

The Secretary of State for Defence (Michael Fallon): The cost and production schedule for the Type 26 global combat ship will be decided at the “main investment decision” point of the programme. Negotiations are ongoing with BAE systems to deliver a contract that will give value for money to both the Navy and the taxpayer. The general purpose frigate programme is in its very early stages. Decisions on build location and timetable will take advantage of the recommendations of the national shipbuilding strategy.

Margaret Ferrier: The Secretary of State is well aware that his Department promised 13 frigates on the Clyde in 2014, and a huge part of the Scottish independence referendum case for the Union rested on that promise. Given that the number has already dropped to eight, why can the Secretary of State not answer a simple question: when will the Type 26 design be approved?

Michael Fallon: There will still be a large number of new frigates, but there will specifically be eight new anti-submarine warfare ships, designed to protect the deterrent that the Scottish National party voted against just a few months ago. I hope that the timetable will be set out shortly, when the design continues to mature and the negotiations with BAE Systems have been completed.

Dr Julian Lewis (New Forest East) (Con): Is it not a fact that BAE Systems is ready to start cutting steel right now, and all that is holding things up is a lack of funds in the MOD’s budget? If we do not start building these ships on time, we will doubtless end up with the same old story: we will drop below the already inadequate total of 19 frigates and destroyers, or else we will have to pay a lot more money to keep old ships in service for longer than they should be kept in service.

Michael Fallon: Let me reassure my right hon. Friend. We have already invested more than £1.8 billion in the Type 26 ship, and I announced a further £183 million in July for the guns to go on the ship. Much of the design work has been completed, but I am not prepared to sign a contract with BAE Systems until I am absolutely persuaded that it is in the best interests of the taxpayer and, indeed, the Navy, giving value for money to both.

Chris Stephens (Glasgow South West) (SNP): The Secretary of State will be aware that the shipyards are in my constituency. The clear message from the workforce might best be conveyed by my paraphrasing Darth Vader: we want these ships, not excuses. Will the Secretary of State explain why, although the original timetable for the cutting of steel was May this year, it has not yet happened? May I ask him to speed up the process, so that ships can be built on the Clyde?

Michael Fallon: We would not be ordering any ships from the Clyde if Scotland had become independent last spring, because complex warships are only built in the United Kingdom. Let me be clear: this contract must be in the best interests of the taxpayer. I am aware of the need to sustain employment on the Clyde, which is why, last December, the strategic defence review announced the construction of two further offshore patrol vessels, in addition to the three that are currently being built on the Clyde.

Bob Stewart (Beckenham) (Con): Is it possible for the MOD to consider positioning Gibraltar as a home port for at least one of the Type 26 offshore patrol vessels, where the facilities are superb for them and they are in a very good position to operate?

Michael Fallon: That is a suggestion I will certainly consider. Gibraltar is a key base for the Royal Navy. I think last week we had two, possibly three, ships from
the Royal Navy calling in on Gibraltar, and Gibraltar of course retains its affiliation to the Crown despite the recent referendum.

Apprenticeships

14. Bridget Phillipson (Houghton and Sunderland South) (Lab): What steps is he taking to ensure support for quality apprenticeships and training programmes through current and future defence procurement.

[906252]

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): The MOD is proud to be one of the largest providers of quality apprenticeships in the UK, and indeed the largest in Government, having delivered over 150,000 apprenticeships. We work closely across both Government and industry to develop apprenticeship standards, helping to build and maintain key defence skills across the country.

Bridget Phillipson: With major defence and infrastructure projects on the horizon, now is the wrong time for the Government to be cutting funding for apprenticeships. What guarantees can the Minister give that quality apprenticeships will be protected by his Department going forward?

Mark Lancaster: We stand by our record. We have delivered over 150,000 apprenticeships. Any new recruit joining the armed forces is enrolled on an apprenticeship scheme, and that will continue.

Dr Tania Mathias (Twickenham) (Con): The Minister knows that logistics is an incredibly important area for the military and armed forces. It is also vital for other parts of the economy, and essential in refugee work. Will the Minister increase apprenticeships in logistics and ensure their quality?

Mark Lancaster: The MOD offers a number of logistics apprenticeships including driving goods vehicles, roadside assistance and recovery, and international trade and logistics. However, I recognise the importance of logistics to the armed forces and efforts to address skills shortages in this area need to be balanced with other areas, but I will certainly look at what my hon. Friend says.

23. [906262] Chris Bryant (Rhondda) (Lab): I am sure the Minister would agree that participation in one of our cadet forces is one of the best apprenticeships available through the MOD. We have a wonderful sea cadets group in the Rhondda. Now that the MOD is vacating Pentre barracks in the Rhondda, why on earth is it putting it up for auction on the open market rather than simply giving it to the sea cadets?

Mark Lancaster: I am sure the hon. Gentleman will support this Government’s programme to extend cadet forces to 500 by 2020. Equally, he will appreciate that we have very strict rules when it comes to the disposal of defence property, but I am happy to look into what he says.

T1. [906204] Patrick Grady (Glasgow North) (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. Last week I hosted the first ever United Nations peacekeeping ministerial, the largest meeting of Defence Ministers in Britain since the Wales summit, where I underlined that the UK is stepping up its global commitments, backed by a rising defence budget and including additional troops to peacekeeping in South Sudan.

Patrick Grady: I am tempted just to ask the Secretary of State if he can name the French Foreign Minister and the South Korean Prime Minister, but can he confirm that, contrary to what he told the “Today” programme last week, it does in fact matter which budget conflict and security spending comes from, and if he is so strapped for cash perhaps he should be scrapping Trident rather than raiding the Department for International Development’s aid budget?

Michael Fallon: The French Defence Minister is Monsieur Jean-Yves Le Drian, whom I met last Thursday—I think it was the 21st time I have met him in two years—and the South Korean Prime Minister is Madam Park, whom I met during her most recent visit. The difficulty facing the shadow Defence Secretary is that none of my Defence Ministers know who he is.

However, on the budget, this is an increasing defence budget; we are committed to meeting the 2% target and the defence budget will also rise in real terms for every year of this Parliament.

T3. [906206] Alec Shelbrooke (Elmet and Rothwell) (Con): What steps is my hon. Friend taking to assist current and former personnel who are concerned about the health effects of being prescribed Lariam anti-malarials when deployed overseas?

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): The Ministry of Defence takes the health and wellbeing of its personnel seriously and acknowledges its duty of care to provide the best possible support to them. I am delighted to be able to confirm today that, as part of that care, we have introduced a single point of contact providing information on mefloquine and signposting a range of services to help those who have concerns having taken Lariam. Further details are available on the gov.uk website.

Clive Lewis (Norwich South) (Lab): I am sure that Ministers are fast learners and will get to know my name soon enough. Last week the MOD was accused of a terrifying error after accidentally publishing the details of 20,000 people online. Following a number of recent high-profile security breaches including the attempted abduction of an RAF airman based at Marham, many service members will understandably be concerned about their personal safety. What reassurances can the Secretary
of State provide to those men and women in regard to the security, particularly online, of any personal information about them?

The Minister for the Armed Forces (Mike Penning): We have been doing everything we possibly can to protect people’s personal details online. I went to Marham myself two days after that incident took place—the police investigation there is ongoing—to give reassurance not only to the serving personnel but to their families that we will do everything we possibly can to protect them.

Clive Lewis: British military personnel in Saudi Arabia include a number of liaison officers stationed within the military headquarters of Saudi-led operations in Yemen. According to the Government, those officers are deployed to gain insight into those operations and to advise the Saudis on how to comply with international humanitarian law. Will the Secretary of State tell the House whether any communications from those British officers—as opposed to reports from the Saudi authorities themselves—have revealed any concerns about the conduct of operations in Yemen, including the possibility that humanitarian law has been violated?

Michael Fallon: Let me make it clear that the United Kingdom is not a member of the Saudi-led coalition, and UK personnel are not involved in directing or conducting operations in Yemen or in the target selection process. We have not assessed that the Saudi-led coalition is targeting civilians or is in breach of international humanitarian law.

T6. [906209] Philip Davies (Shipley) (Con): During the EU referendum campaign, the Government said that voting to leave would put the security of the UK and western Europe at risk, so will the Secretary of State tell me by how much the Government are increasing the defence budget as a result of the referendum’s outcome? Or was that in fact an example of scaremongering that we can add to the ever-growing pile entitled “Utter cobblers that the Government were spouting during the EU referendum campaign”?

Michael Fallon: My hon. Friend will know that the defence budget is increasing in any event, and it will go on increasing in each year of this Parliament because of our commitment to meeting the 2% target in NATO. I know that he will join me in reminding our allies that although we are exiting the European Union, we are not abandoning our commitment to European security, which is why we are leading a battalion in Estonia next year, why we have committed extra troops to Poland, which is why we are leading a battalion in Estonia next year and why we will be leading the very high readiness taskforce next year.

T2. [906205] Tristram Hunt (Stoke-on-Trent Central) (Lab): Easat Radar Systems in Stoke-on-Trent is a cutting-edge business supplying coastal-based radar surveying UK waters and exporting round the world. This is the kind of British-based defence manufacturing we need as Russia continues to test our defences and security concerns about breaches to our coastline grow. The Minister for Defence Procurement is already coming to Stafford. I invite her to come to Stoke-on-Trent afterwards to visit Easat Radar Systems to give the business the support it deserves.

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): The hon. Gentleman is a doughty champion of businesses in Stoke-on-Trent. I know that the Secretary of State has already offered a meeting with businesses in that constituency, and I look forward to hearing more about the particular one he mentioned in his question.

T8. [906211] Robert Jenrick (Newark) (Con): Will the Minister support the recent application by the Magnus Church of England Academy for a new cadet force? Does he agree that schools such as that academy, situated within a deprived area and with a persistent problem of white working-class boys, are exactly where new cadet units will make a difference?

Mark Lancaster: The Government have committed £50 million of LIBOR funding to increase the number of cadet units in schools to 500 by 2020. That manifesto commitment will establish some 150 new units in state schools across the UK and we have made it a priority to focus on cities and areas of high deprivation. I welcome my hon. Friend’s championing of the cause. Any school that wants to open a cadet unit through the cadet expansion programme should submit an expression of interest through the gov.uk website.

T4. [906207] Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): People in my constituency are worried about the UK Government’s plans for the army base at historic Fort George, which supports around 750 local jobs. Unhelpful comments from the Secretary of State for Scotland this weekend about the base’s condition have not helped that speculation. Will Ministers do the right thing, back Fort George and end the unhelpful speculation now?

Mark Lancaster: The MOD continues to review its estate to ensure that it is smaller and more sustainable, allowing us to focus on delivering future defence capability and enabling considerable investment in sites such as Lossiemouth and Faslane. While no decision has been made on Fort George’s future, Scotland will continue to be a vital home for our armed forces. However, Scotland, like the rest of the UK, must expect some sites to close and some investment in other locations.

T5. [906208] Owen Thompson (Midlothian) (SNP): Research from the Fraser of Allander Institute found that the number of defence jobs in Scotland is plummeting despite promises to the contrary in 2014. There are almost 3,000 fewer MOD employees and the number in military roles has gone down. In 2008, there were 23% more jobs in uniformed and MOD civilian roles. Can the Secretary of State tell us how Scotland is better off in the union given that reality?

Michael Fallon: I certainly can. Scotland is getting additional investment at Faslane, and Lossiemouth will be the home of the new Typhoon squadron. Faslane will continue to be the base for all the Royal Navy’s submarines. Scotland is playing a key part in the construction of our new Navy with the new aircraft
carriers, the Type 26 global combat ship, and the offshore patrol vessels, all of which will contribute to more jobs in Scotland.

T10. [096213] Mr Philip Hollobone (Kettering) (Con): Kurdish fighters, in part supplied with small arms from this country, have been among the most effective ground forces against Daesh, yet they find themselves under attack from our NATO ally Turkey. How can that circle be squared?

Michael Fallon: My hon. Friend is right that the situation is complicated, in particular in north Syria. We continue to urge the opposition groups in Syria to combat Daesh—although they are of course also under pressure from the regime. As a result of the ceasefire coming into force tonight, I hope that all the moderate armed groups in Syria can now concentrate their fire against the murderous ideology that is Daesh and allow humanitarian aid into the towns and cities that have been so long denied it.

T9. [096212] Danny Kinahan (South Antrim) (UUP): Our military charities do phenomenal good in Northern Ireland, and one, Combat Stress, has just received £400,000 to help it carry out its vital work. However, its plan to move to using triage nurses to handle calls, rather than the admin staff experienced in handling mental health cases, is what really worries me—those callers need sensitive handling. Will the Minister meet representatives to discuss how we can do that better in future?

Mark Lancaster: I am grateful to the hon. Gentleman for highlighting the success of recent LIBOR funding bids from Northern Ireland. The issue he raises is of course important and I would be delighted to meet to discuss it.

Byron Davies (Gower) (Con): The Royal Air Force has a long and illustrious history in Wales and the connection has been fostered and maintained by volunteer gliding schools. The MOD’s decision to denude Wales of such schools and make air cadets travel many hours to England has had nothing less than a devastating effect on young people and adult volunteers. What steps are being taken to return such schools to Wales?

Mark Lancaster: I commend my hon. Friend’s tenacity in pursuing this issue. He knows that significant challenges surround the viability of aerodromes and former aerodromes in south Wales for future cadet gliding, but following his persistence and that of the hon. Member for Bridgend (Mrs Moon) I am looking to see whether other sites are financially viable. I hope to be able to update them shortly.

Christian Matheson (City of Chester) (Lab): Does the Minister welcome the establishment of veterans’ breakfast clubs up and down the country as a way of providing support from veterans to veterans? Will the Minister ask his officials why these clubs have been denied the right to use the veterans’ logo on their official literature, as the only person who ever turns up to the Chester veterans’ breakfast club who is not a veteran is me?

Mark Lancaster: I am a great fan of veterans’ clubs and I have visited several. They are a fantastic thing, which I am keen to encourage, and I am happy to look into the matter the hon. Gentleman raises.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): As my hon. Friend knows, last week it was announced that the MOD was going to dispose of Stonehouse barracks in my constituency. Can he clarify the criteria to keep 3 Commando Brigade and the Royal Marines in my constituency?

Mark Lancaster: The decision to close up to 30% of the defence estate is based on military capability; it very much is a military decision, but I am happy to meet my hon. Friend to discuss it, if he would like to do so.

Diana Johnson (Kingston upon Hull North) (Lab): May I thank the veterans Minister for meeting Hull resident Dereck Johnson, who set up the Hull veterans’ breakfast club, and may I ask what progress has been made in rolling out these breakfast clubs across the country, as they meet such a real need in that community?

Mark Lancaster: I thoroughly enjoyed meeting the hon. Lady’s constituent and I thought it was an excellent breakfast club. I have also met the national chairman and we are in discussions about how the Department can support this excellent initiative.

Several hon. Members rose—

Mr Speaker: I call the good doctor, Dr Julian Lewis.

Dr Julian Lewis (New Forest East) (Con): Thank you, good Speaker. Will the Secretary of State confirm that the service provided by BBC Monitoring to open-source intelligence is of vital interest to the MOD? Does he agree that it would be totally unacceptable if the BBC inflicted swingeing cuts in the Monitoring service, as is proposed, including the closure of Caversham Park?

Michael Fallon: It is always good to be able to find common ground with my right hon. Friend on a defence matter. I certainly confirm the first part of his question, and I will do what I can to convey the gist of the second part to the BBC, too.

Mr Speaker: Very prudent and wise of the Secretary of State, I am sure.

Steven Paterson (Stirling) (SNP): An article in The Times today on the welcome news of the ceasefire in Syria states:

“The US and Russia have agreed to work together to target Islamic State and the FSF”.

Will the Secretary of State provide more detail on how that would work in practice, how the UK will be involved and how we can ensure that such co-operation results in no civilian casualties?

Michael Fallon: I hope the hon. Gentleman will welcome the ceasefire, belated though it is, that we hope will come into force tonight. The situation in Syria is complex and we have continued to urge Russia to use all its influence on the Syrian regime to get humanitarian aid in and to stop the regime targeting particular opposition groups. As he knows, we do not have combat troops deployed in Syria, but the strikes we carry out on behalf of the coalition will, obviously, also now have to reflect the new reality on the ground.
Mrs Madeleine Moon (Bridgend) (Lab): The British Royal Navy is now smaller than the flotilla that we sent to take back the Falkland Islands. When will we have a date for Type 45 destroyer engine repairs and replacements, which are desperately needed, so that we can at least maintain the 19 ships of the line that we currently have?

Michael Fallon: I hope that the hon. Lady, who knows a lot about this, is not confusing number with quality or power. The ships we are now deploying—the aircraft carriers, the Type 45 destroyers and the forthcoming Type 26 frigates—are of course much more powerful than the ships that sailed to liberate the Falkland Islands. I know she will join me in welcoming the new missions of the two Type 45s, HMS Diamond and HMS Daring, which sailed in the past few weeks.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): A serious issue for recruitment policy is service family accommodation, and I am sure the Secretary of State and the Department agree with the recommendations of the Public Accounts Committee report on service family accommodation. Will he update the House on how they are dealing with CarillionAmey and its dubious failings for service personnel, and on how we make sure that this does not happen again?

Mark Lancaster: I am delighted to say that as a result of the recent “get well” plan, CarillionAmey is now meeting all but two of its key performance indicators. However, let me assure the House that I do not take this recent improvement for granted. I am utterly determined that the poor standard that our service personnel received in recent years will not be repeated.

Toby Perkins (Chesterfield) (Lab) rose—

Mr Speaker: I do not want the hon. Member for Chesterfield (Toby Perkins) to be sad or to feel isolated or excluded. Let him have a go.

Toby Perkins: Thank you; very kind. A few moments ago the Under-Secretary of State for Defence, the hon. Member for West Worcestershire (Harriett Baldwin), said that we were procuring more warships and aircraft than ever before. That is far removed from reality. In setting the record straight, can she confirm whether such information is part of the induction into the Ministry of Defence team, or did she come up with it all by herself?

Harriett Baldwin: I recommend that the hon. Gentleman read the strategic defence and security review. He can see that we are increasing defence spending every year and we are investing in more ships, more planes, more troops who are ready to act, better equipment for our special forces and more for cyber, in contrast to the Labour party, which wants to scrap our nuclear deterrent, withdraw from NATO and abolish our Army. Labour cannot be trusted with our security.
Schools that work for Everyone

3.36 pm

The Secretary of State for Education (Justine Greening): With permission, Mr Speaker, I would like to make a statement on the Government’s consultation published today, ‘Schools that work for everyone’, copies of which I have placed in the Libraries of both Houses.

As my right hon. Friend the Prime Minister has said, this Government are putting the interests of ordinary working-class people first. We want this country to be a truly meritocratic country, where what matters most is a person’s individual talent and their capacity for hard work, so we need to build a schools system that works for everyone, not just for the privileged few. The various proposals set out today in this consultation document all drive towards one simple goal: increasing the number of good school places for all children.

Over the past six years we have made great strides forward, with more than 1.4 million more children in good or outstanding schools than in 2010. The flagship academies programme has unlocked the potential in our schools. This Government are committed to helping all schools enjoy academy status freedoms and school-led system improvement through multi-academy trusts. The reforms carried out by my right hon. Friend the Members for Surrey Heath (Michael Gove) and for Loughborough (Nicky Morgan) have had a transformational effect on education in our country. Now we need to build on the “Educational Excellence Everywhere” White Paper—our dedication to good teachers in every school, world-class qualifications and reforming school funding—and put an end to the underperformance that has blighted too many children’s education and that still exists in pockets throughout our country.

We need radically to expand the number of good school places available to all families, not just to those who can afford to move into the catchment areas of the best state schools, those who can afford to pay for private education, or those belonging to certain faiths.

We need to give all schools with a strong track record, experience and valuable expertise the incentives to expand their offer to enable even more pupils to go there, driving up standards and giving parents greater choice and control. We have sought to do this already through, for example, university technical colleges and specialist subject schools.

The reality is that demand for school places only continues to grow, but too many children still do not have access to a good or outstanding school. In some areas as many as 50% of children do not have one locally. In fact, 1.25 million children attend schools that are not good or outstanding, in spite of all the progress that has been made. That is unacceptable.

The Government make sure that schools have the resources to help the children most in need—for example, through the pupil premium—and of course that will continue, but the Prime Minister is right when she says that disadvantage can often be hidden in this country. It is not just about those children who receive free school meals; we want to come up with a broader definition and look at ordinary working-class families just managing to get by, who are too often forgotten.

This consultation deliberately asks big, open questions about the future of education in this country. The plans set out in “Schools that work for everyone” focus on how we can unlock four existing parts of the educational community so that they can have a bigger impact for all children.

The first part is the independent schools that give wealthier parents the option of an outstanding education for their children, often sending a high proportion to the best universities and guaranteeing access to the best career outcomes. Many of these schools already make a contribution to the state sector—some even sponsor or run state schools. While we recognise that work, we want independent schools to do more, so we want stronger, more demanding public benefit tests for independent schools to retain the benefits associated with charitable status. We want independent schools to offer more places to those less able to afford them, and to sponsor or set up schools in the state sector. For smaller schools we will, of course, look at an proportionate approach, and we are seeking views on how they can make their facilities available to state schools and share their teaching expertise.

The second part is our world-class universities. They need funding, of course, in order to maintain that status, and under this Government’s approach to access agreements, we have made sure that we have seen steady investment, while at the same time making sure that university is not out of reach for disadvantaged people.

We want the huge talent base in our universities to do more to widen participation and to help more children to reach their full potential. We therefore want universities to open or sponsor schools in exchange for the right to raise their fees. This will ensure that they are not just pulling in the most qualified applicants—some of whom might have had an educational head start—but playing a bigger role in increasing the numbers of students with the GCSEs and the A-level grades that open doors to degree courses in the first place.

Thirdly, when we talk about selection in this country, we have to acknowledge that we have selection by house price already—for those who are able to buy a house in the catchment areas of the best schools. [Interruption.] Mr Speaker: Order.

Justine Greening: We know that selective schools are in high demand, as are specialist art, music and sports schools. Selective schools are good for pupils, particularly the most disadvantaged ones who attend them, yet for most children the chance to attend a selective school simply does not exist, so we want to look again at selective schools and how they can open up excellent places to more children, particularly the most disadvantaged. We will therefore look at how we can relax the rules on expanding selective schools and allow new ones to open and non-selective schools to become selective where there is a demand. At the same time, we have to challenge ourselves, and selective schools, to raise attainment much more broadly.

It is really important that I am clear about how we ensure that all schools improve. We do not want to see a return to the old binary system of good schools and bad schools. Every child deserves a place in a great—[Interruption.]

Mr Speaker: Order. The Secretary of State must be heard. Everybody, I think, on both sides of the House knows that, when ministerial statements are delivered,
I, almost without exception, allow everyone who wants to contribute the chance to do so, and, believe me, today will be no exception—I am very sensitive to the differences of opinion in the House. Everyone will have a chance to question the Secretary of State, but meanwhile she should and must be heard with courtesy.

**Justine Greening:** Every child deserves a place in a great school; it is not just what they deserve, it is what our country deserves. What is clear is that selection should be part of the debate about how we make sure that the right number of good places exist. Selective schools will be expected to guarantee places for children from disadvantaged backgrounds, and, far from tainting the standards of education in schools around them, we will explore ways for selective schools to share their expertise. We want them to raise standards in every part of the schools system—for example, by opening excellent feeder primary schools or by sponsoring local non-selective schools.

Finally, let me turn to faith schools. I am sure that many colleagues will have children who go to high-quality faith schools. The current rules to promote inclusion mean that when new faith free schools are oversubscribed, they have to limit the number of pupils they admit on the basis of faith to 50%. The reality is that this has not worked to combat segregation, and indeed also acts as a barrier to some faiths in opening new schools. We want to remove that barrier so that new places can be created, but at the same time consult on more effective ways to ensure that all new faith free schools are truly inclusive. We will look at new requirements on proposers of free schools to demonstrate that they are attracting applications from other faiths, and to establish twinning arrangements with schools not of their faith, and consider sponsoring underperforming non-faith schools and bringing members of other faiths, and none, into their governing bodies.

The Government want to build on the progress made over the past six years and make the schools system truly fit for purpose in the 21st century. The “Schools that work for everyone” consultation is about engaging with as many views as possible so that we can design policies that make the most of the expertise that we already have, and widen access to good and outstanding school places for all. Government Members believe in building a true meritocracy. We think that every child deserves a school place that will best serve their individual talents, and not to be limited by where they live or by how much their parents earn. There is so much potential in our country, and that talent base needs us to ask the big questions, leaving no stone unturned so that we can build a schools system that truly works for everyone. I commend this statement to the House.

3.46 pm

**Angela Rayner** (Ashton-under-Lyne) (Lab): If I may, I would like to start by offering some advice to the Government:

“Stop your silly class war.”

That reaction is very interesting, because it was not my advice but that of the last Prime Minister—who is still currently, I believe, the right hon. Member Witney—when asked about Tory MPs wanting to return to grammar schools. He went on to say:

“I think it is delusional to think that a policy of expanding a number of grammar schools is either a good idea, a sellable idea or even the right idea”.

He was the future once, but the current Prime Minister wants to hark back to the past. Where once, under Labour, we had “Education, education, education”, this Government’s mantra is “Segregation, segregation, segregation”.

Perhaps the Secretary of State can start by telling us when the Prime Minister told her what her education policy was going to be. When the Secretary of State came to this House last Thursday, she told us that there was nothing to announce. She said:

“we have not yet actually made any policy announcements; they will be made in due course.”—[Official Report, 8 September 2016, Vol. 614, c. 470.]

She assured us that she was looking into “a range of options”. Yet, lo and behold, just 24 hours later the Prime Minister unveiled their policy in full. Apparently it did not take that long to look at those options. This is not a surprise. The Prime Minister’s plan seems to be that we need grammars, secondary moderns and technical schools. This is a line taken directly from the Conservatives’ 1955 manifesto—hardly an education policy for the 21st century. Was the Secretary of State unaware of the Prime Minister’s speech or did she forget to tell the House—or perhaps the dog ate that bit of her answer?

Today’s statement is another sorry excuse, so I have some serious questions that the Secretary of State has yet to answer. Will she confirm that the new Prime Minister has absolutely no mandate for this policy? Not only was there no such pledge in their manifesto, but the former Prime Minister, as Leader of the Opposition, promised precisely not to bring in new grammar schools. He said: “It is not something we would do if elected.” We will hold the Government to account, and the country will hold the Government to that promise.

When the Prime Minister’s predecessor was asked whether he would cave in to his Back Benchers over grammar schools, he said:

“I lead. I don’t follow my party; I lead them.”

He was able to do that for more than six years, but his successor has hardly managed six weeks.

It is not just the former Prime Minister who opposes the plans; the right hon. Member for Loughborough (Nicky Morgan) has said of the creation of new grammar schools:

“I believe that an increase in pupil segregation on the basis of academic selection would be... a distraction” from the serious efforts to narrow the attainment gap.

The Conservative Chair of the Education Committee said last night:

“We have serious issues about social mobility... and I don’t think that having more grammar schools is going to help them.”

He went on to say:

“I think that the creaming off of the best is actually detrimental to the interests of the most.”

Will the Secretary of State now apologise for dismissing all opponents of her plans by placing dogma over pupils and opportunity? All the major research shows that where there are grammar schools today, access to them is limited to the most well-off. It also shows that educational attainment in grammar areas for those who fail to get into grammar schools is below the national
average. Given the overwhelming academic evidence that grammars fail to improve the standards of the majority of children, what research is the Secretary of State basing her decision on, and will she lay it before this House?

Will the Secretary of State explain just how this policy is going to work? She seems to be saying not only that every new school can be a grammar, but that every existing school can convert to a grammar as well. I may be a comprehensive girl, but even I can see the flaw in thinking that it is possible to let every school in the country select through an exam. Will the Secretary of State tell us just how she will decide which schools will be allowed to segregate pupils and which will not?

We are told that the new grammars may be free schools, but free schools are not free to the taxpayer. How much of the schools budget will be put aside for these new grammar schools? Has the Secretary of State received any extra funding from the Treasury, or will it have to be taken from existing schools, which are already facing the first real-terms cut in decades?

Page 25 of the Government's consultation document says that for schools to become grammars, one requirement that they may have to meet is to establish a new, non-selective secondary school, with capital and revenue costs paid by the Government. Perhaps the Secretary of State can reassure the House that that will be paid for by new funding arrangements that she has reached with the Treasury, rather than being squeezed out of school budgets that are facing a real-terms cut.

Mr Speaker: Order. I think the shadow Secretary of State is bringing her remarks to a close. I have been generous, but she is a little over her time and I think she has either finished or is approaching her last sentence—a pithy one.

Angela Rayner: Thank you, Mr Speaker. The Prime Minister promised on the steps of No. 10 to govern for the many and not the privileged few, and to be led by the evidence when making decisions, yet now we have a policy from the Leader of the Opposition; perhaps he cannot see a flicker of recognition of that correct? I cannot see a flicker of recognition of that worth pointing out that the leader of the Labour party, raising attainment. In spite of all the challenges and issues that the Labour party raises over grammars, and in spite of the fact that the party was in power for 13 years, it took no steps even in government to ensure that it played a stronger role in raising attainment in their broader communities. What did we actually see under Labour in government? It was not education, education, education; it was grade inflation; children leaving school without even the most basic skills of reading, writing and adding; a university system that had a cap on student numbers and aspiration; and youth unemployment that went up by the best part of 50%. We need no lectures from the Labour party on how to deliver opportunity for our young people.

If we are going to ensure that ours is a country where everybody can do their best, wherever they start, we have to be prepared at least to have a debate about how we will make that happen. It seems to me that the only distraction in this Chamber for the Labour party is, yet again, its own leadership contest. In the meantime, the ideas and the initiative to drive opportunity across Britain will come from Conservative Members.

Mr Kenneth Clarke (Rushcliffe) (Con): I warmly welcome the motives behind my right hon. Friend's statement, which appeared to be to try to restore some of the best of the 1944 Butler Act—with its amazing opportunities for bright working-class children—while avoiding some of its serious downsides, such as the great damage that it did and the poor alternatives that it offered to the majority of pupils who did not pass the exam. Does she accept that the devil lies in the detail? Does she accept that, as she develops the policy that she is setting out for consultation today, it will be tested by how far she can, in specific ways, ensure that this change does not damage the opportunities for pupils in other schools and does not distract priority from raising the standards of all schools for all pupils, which has been the objective of this Government?

May I also ask my right hon. Friend to reconsider pretty fundamentally the announcement she has made about faith schools? We need to live in a society where we reduce barriers and improve contacts and integration between people of all faiths. If the system has been imperfect, we need to know why it has not worked. It may be right to modify it, but will not simply removing the cap altogether lead us into considerable danger?

Justine Greening: I reiterate that this is the beginning of a consultation that sets out a debate that we need to have in our education system if we are going to make sure that we deliver on our manifesto commitment, which is to have an excellent school place available for every single child in our country. We set out very clearly that we deliver on our manifesto commitment, of a consultation that sets out a debate that we need to have. As she develops the policy that she is setting out for consultation today, it will be tested by how far she can, in specific ways, ensure that this change does not damage the opportunities for pupils in other schools and does not distract priority from raising the standards of all schools for all pupils, which has been the objective of this Government?

On faith schools, let me explain the situation more succinctly. The existing 50% rule was put in place with the best of intentions, and it kicks in when new faith schools that work for Everyone
schools are oversubscribed. The issue is that that very rarely happens, so in spite of the fact that it was designed with the best of motives, the rule does not operate effectively. Some new faith schools are overwhelmingly comprised of children with one faith, because the school did not have to go and seek more children of other faiths and no faith. The consultation document therefore sets out a number of different proposals. For example, proposed new faith schools would have to demonstrate more clearly that there was a broader community desire for places at that new school, not just from parents of that faith but from parents of no faith and other faiths.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): The Secretary of State has expressed concern that the opponents of this policy have nothing to say. I can reassure her that I have plenty to say, but, unfortunately, I have only two minutes in which to say it.

For any Government to be truly progressive, their education system must do all it can to tackle inequality. Only in this way can our young people reach their true potential. Only in this way can we close the attainment gap, which the First Minister has made the mission of her SNP Government in Scotland. There can be no doubt that grammar schools encourage educational inequality. That is why there will be no grammar schools in Scotland. Instead, the SNP Government are doing everything possible to ensure that all children have access to the same opportunities, no matter their background. If the mistake of reintroducing grammar schools in England has any financial impact on Scotland, we in the SNP will fight tooth and nail in our opposition to this policy.

Instead of this backward step, the Government should be working to close the attainment gap. The SNP Government in Scotland are committing an additional—targeted—£750 million to close this gap, with a new, fair, and transparent funding formula for schools that will ensure additional resources go where they are needed. Does the Secretary of State not think that she could learn something from this strategy? Will she explain how this Government can trump their credentials of so-called social mobility when there is clear evidence that such selective admissions policies in schools are not to the benefit of all children? This Government say they believe in a meritocratic society, so can she explain how grammar schools promote that when they fly in the face of such an ideal, creating social divisions between children at a very young age?

**Justine Greening**: The hon. Lady sets out the SNP’s approach to education, but it does not bear comparison with the dramatic improvements in our English education system during the past six years, which we absolutely aim to continue to drive forward. We have seen a stronger focus on school leadership and teaching standards. We have seen a more rigorous curriculum that truly enables our children to have the knowledge and skills they need to be successful. Critics, we have seen schools working far more closely together in order, collectively, to raise attainment standards across the board. I am grateful today that I want some parts of our education system that have played less of a role in doing so than I think they can to step up to the plate and to do much more.

The hon. Lady asked about attainment. The reality is that disadvantaged children who get into grammar school come on in leaps and bounds. In fact, the attainment gap between them and better advantaged cohorts has dramatically closed by the time they leave school. Fundamentally, the difference between us and the opposition parties is that we believe that that is a good thing, and that we should therefore look at how to make such an opportunity available to more children. The opposition parties believe we should have a levelling down. That is the difference, and that is why we do not accept their approach.

**Michael Gove** (Surrey Heath) (Con): May I congratulate the Secretary of State on the clear moral purpose that runs through every word of her statement? Her commitment to ensuring that every child in this country receives a high-quality education and that we narrow the attainment gap between rich and poor is the driving mission she has brought to the role of Education Secretary, and I for one am delighted to see her at the Dispatch Box.

In particular, the Secretary of State is absolutely right to say that two of the highest performing education sectors in this country—indeed schools and universities—still have not done enough to help disadvantaged children to do more. Do not the examples of the Harris Westminster free school, supported by a great independent school, and King’s maths school, supported by a great university, show that institutions that select at the age of 16 can ensure that children from disadvantaged backgrounds can do more? Will she reassure the House that, in the face of the opposition to all reform and all debate by the dogmatists on the Opposition side of the House, she will be driven entirely by data and what works, and that she will press ahead with the cause of reform?

**Justine Greening**: I can assure my right hon. Friend of that, and I thank him for his comments. He was a Secretary of State who was willing to press on with difficult decisions to get the best outcome for Britain’s children, and he was absolutely right to do so. Failure comes from failing to address the difficult questions that we need to ask ourselves to improve England’s education system. We are prepared to address those questions, and we are putting our proposals out in a consultation document, which is effectively a Green Paper.

As my right hon. Friend says, innovation is happening across the system. We can look at the maths school that King’s College London has set up, or at the Harris Westminster college, or further afield at the work of the University of Brighton and the University of Exeter, which are truly showing how they can work with their local school system and more broadly to raise attainment. We should learn from them and expand the impact of universities, not contract it.

**Lucy Powell** (Manchester Central) (Lab/Co-op): Let us have the debate, but let us have it based on evidence. What evidence does the Secretary of State have that the reintroduction of selection would work? All the evidence that I can find shows that it would not. Areas that have selection have a wider attainment gap than those that do not, disadvantaged children do not get into grammar schools and poorer kids do worse. In contrast, the
highest-performing areas, where the gap has closed dramatically, particularly under the Labour Government, are comprehensive areas. Perhaps the Secretary of State would do better focusing her efforts on how we can spread the good practice of places such as London rather than on importing the much poorer practice of somewhere such as Kent.

**Justice Greening:** It would be helpful if the Labour Front Benchers, and maybe individual Labour MPs, set out exactly where they stand on removing existing grammars. That is not clear to me, but as I understand it, that is the Labour party’s proposal. From the hon. Lady’s comments, perhaps we can assume that she wants to end all existing selection. If she is not prepared to make that argument, it is hard for her to argue against the status quo while simultaneously saying that we are wrong to consider reforming it. I think that is her position.

The reality is that many grammar schools, such as Bournemouth school, are doing important work to prioritise getting children on the pupil premium into grammar schools. We know from evidence from the Sutton Trust that when children on free school meals get into grammars, they do disproportionately well. The same evidence also showed that there was no discernible lessening of attainment among children outside the grammar system.

Of course, we are not in a binary system now. Our schools have overwhelmingly improved over the past six years, and many more schools of all kinds are now good or outstanding. The sense that children not in a grammar are somehow consigned to an education system that is failing them is simply wrong, but in some schools in some parts of the country, children do not have access to a good school place. We should not accept that. Our proposals today and the debate that we are starting are aimed at looking at how we can tackle it, and they sit alongside a much broader series of policy reforms. We will push on and change those circumstances, unlike the Labour party, which does not even seem to want to have a debate in the first place.

**Nicky Morgan** (Loughborough) (Con): I welcome what my right hon. Friend has said today about having greater collaboration between universities, independent schools and schools in the state system. I also agree with her about faith schools, which need to be looked at.

Over the past six years, the Conservative party has consistently challenged the soft bigotry of low expectations—the idea that an academic education is not available to all. My right hon. Friend is right that we have great schools and great teachers, but we do not have them everywhere. Will she explain, now or in the course of the consultation, how the Green Paper proposals on selective education will benefit pupils in areas where expectations are still too low and results are too poor? When will she announce the first of the “achieving excellence” areas?

**Justice Greening:** My right hon. Friend is right to point out that too often, in the past, Governments have not had high enough expectations for children growing up in more disadvantaged parts of our country. That is totally unacceptable. Talented children are growing up all over our country and we should make sure that they have an education system that can enable them to make the most of their talents. She is also right that if we want new grammars to open we have to work with local communities. I would very much like some of the most disadvantaged communities to have the chance now to have a grammar. At the moment there is simply not that opportunity for them, even if local parents want it. We know that 20% of children at grammar schools come from outside the immediate catchment area, which clearly suggests that parents in those broader areas also want the choice of a grammar for their children.

Finally, my right hon. Friend set out points in the White Paper that I thought were quite right. The achieving excellence areas are about looking systematically at places where children are systematically let down and do not have access to good school places, to see what it will take—not just inside schools but outside—to change that over time. I assure her absolutely that all that work will continue, and pay tribute to her for that White Paper, which put in place the building bricks for what I hope will be a successful approach.

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): It is simply not true to say that the Opposition are in favour of levelling down. Having schools that work for everyone and for all families is exactly what we are in favour of. I want to press the Secretary of State on the question of evidence. Where is the evidence that any of the improvement we have seen in the past 15 to 20 years has come as a result of selection? In particular, can she name a school system elsewhere in the world that succeeds on the basis of selection at 11?

**Justice Greening:** Our proposals are clear on the fact that we do not want a test at 11 to be the principal way that children get into grammars. We want much more flexibility in the grammar system. This is about having a 21st-century education system and a 21st-century approach on grammars. It is wrong to say that we should just freeze grammars in time, and never come back to look at how they can work more effectively. The test is surely the fact that 99% of grammars are judged good or outstanding by Ofsted. Those schools have outstanding leadership and teachers, and a strong, stretching and rigorous curriculum. They deliver for children of lower prior attainment and disadvantaged children, but also stretch those of better attainment. That is why they are rated good or outstanding by Ofsted. It would be wrong not to look at how we can pull those features into the broader school system. Many of our reforms have been doing that. Where it is the choice and there is the demand we should be enabling more grammars to open.

**Neil Carmichael** (Stroud) (Con): Back in 1944, three types of school were proposed—grammars, secondary moderns and technical schools—but by 1959 only 2% of any year group could expect to get to a technical school. The problem is sometimes in delivery and the mechanism for implementation. What plans does the Secretary of State have to make sure that the changes in the Green Paper will be implemented in such a way that we reach every community and every child, and can be sure that we are giving every child the best possible opportunity,
either in a grammar school or some other, different type of school? The mechanism—brokering it and checking that it is working—will count for a lot with this policy.

**Justine Greening:** I very much pay tribute to all my hon. Friends’ work as Chair of the Education Committee. This is about building capacity; fundamentally, it is about having more good school places for children around Britain. The test of its success will be a continued improvement in attainment—very much following on from what my right hon. Friend the Member for Surrey Heath (Michael Gove) has said—focusing in particular on those children who do not get as far as they should and have not been able to enjoy and benefit from the broader reforms that so many more children are now benefiting from.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Let me tell the Secretary of State that this country has made steady progress on education over the years, under all parties. There has been real improvement in our education system; is she aware that sending a message that that is a history of failure is not very encouraging to teachers and the people who deliver education? I beg her not to start what we have already seen in the Chamber, namely a bitter turf war about comprehensives against grammar schools. If she likes grammar schools, she should provide the evidence. Provide what is best for our students and our kids in this country, but do not start an ideological turf war that will be very damaging to our country.

**Justine Greening:** I agree with the hon. Gentleman. We need to open up a measured debate that is based on evidence on what it will take to improve our school system, and particularly on what it will take to enable those who do not have access to a good school place to have one. We believe that selection can play a role, and we should look at how that can be done more effectively.

The hon. Gentleman was at the urgent question on Thursday. I recognise how emotive the issue is on both sides of the House—it is emotive because it matters for all of our children. The wrong thing to do would be simply to see the concerns that Labour Members express and put them in a box, unprepared to look at how we can make grammar schools work more effectively for disadvantaged children. We should recognise that every child is different. Those who are academic need schools that work for everyone; those who do not have access to a good school place to have one. We believe that selection can play a role, and we have not been able to enjoy and benefit from the broader reforms that so many more children are now benefiting from.

**Mrs Theresa Villiers** (Chipping Barnet) (Con): My constituents that the academy programme, which is delivering, will still be supported by the Government?

**Justine Greening:** Yes, of course I will. The proposal is about providing more choice but, as my right hon. Friend sets out, in many parts of the country we have seen academies transform prospects. Her local community might be happy with those existing schools and want to continue to see them get better.

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): When discussing education with parents and teachers, the issues that come up time and again are the need for more primary places, teacher workload and recruitment, and the north-south funding gap. Not one person has ever raised new grammars with me. Where is the evidence that the continued obsession with structures will resolve the real issues facing our education system?

**Justine Greening:** The hon. Lady is right to highlight the need for more primary places and we have put billions of pounds into ensuring them. Part of the challenge is that that demographic bulge is gradually passing into our secondary school system, and we need to ensure that it has the number of places our children need. We need to ensure that they are good places, which is why we want to open up the debate on selection and ending the ban on grammars. As she says, this is not to say that we do not need carefully to push on with the rest of the agenda in education. She mentioned teacher recruitment and ensuring that education funding is fair around the country. I will continue to focus on all those things.

**Oliver Dowden** (Hertsmere) (Con): I welcome my right hon. Friend’s commitment to greater freedom for faith schools, including Yavneh in my constituency,
which is the best performing comprehensive in the entire country. It forms part of a diverse mix in Hertsmere that includes part-selective schools. Does she agree that it is that diversity that is driving up standards, and is she committed to maintaining that diversity?

**Justine Greening:** My hon. Friend sets out the case very well. Parents have more and better choices in his local community. That is important and part of how we see standards rising. We are committed to that continuing.

**Kevin Brennan** (Cardiff West) (Lab): I, too, listened very carefully to the words of the Secretary of State and she did say that we do not want to see a test at 11 for access to grammars. Is it her intention to abolish the 11-plus for existing grammar schools? If not, why not?

**Justine Greening:** The point I was making to the hon. Gentleman was that many people feel there is a cliff edge in terms of entry into grammars, as it stands, at age 11. We are consulting on children having the chance to go to a local grammar, perhaps at an older age. Indeed, if they are particularly capable at one or two subjects, they could perhaps go to a grammar to study them. I am sure he will read the consultation document with interest.

**Lucy Frazer** (South East Cambridgeshire) (Con): Does the Secretary of State agree that by lifting the statutory bar we are not returning to the two-tier system of the 1950s? Our education system has moved on. We have the choice of university technical colleges, free schools and academies, as well as apprenticeships. When striving for educational excellence, we must continue to look at all the best forms of education for our children.

**Justine Greening:** My hon. Friend is quite right. We have moved from a system where there was a one-size-fits-all approach to schools for children. We now have a system where there is so much more diversity and choice. We think it is wrong to have one kind of school within the system that is unable to respond to parent demand—that is the need for more grammars. We want to open up the debate and look at what we can do to enable parents around the country to have more of a choice.

**Jim Shannon** (Strangford) (DUP): When it comes to schools that work for everyone, the Secretary of State says she wants views from everywhere. She will be aware that the exam results from schools in Northern Ireland for GCSE were some of the best in the United Kingdom. Has she had the opportunity to strategise those results for the benefit of the UK mainland?

**Justine Greening:** I know the system of grammars in Northern Ireland is one that people would point to and say that, on average, attainment has increased. During the urgent question last week, I was invited to Northern Ireland to look for myself. I am sure I will be able to visit Northern Ireland shortly.

**Mr Keith Simpson** (Broadland) (Con): I welcome the Secretary of State’s Green Paper on the wider aspects of education. I have to say that I have severe reservations about introducing more grammar schools. I was at a grammar school 50 years ago. I have often wondered where I would be if I had failed the 11-plus. I certainly would not be here today. I know the education system has moved on, but I have to say it is a question not of introducing more grammar schools—if people want grammar schools, that is fine—but what is happening in the main part of the system. The main question we have to deal with is not just about access to schools; it is about the poverty of many parents and dysfunctional families. I am sure my right hon. Friend will be looking at that. Could she perhaps give me some reassurance that that is going to be done?

**Justine Greening:** Very much so. As I just replied to my right hon. Friend the Member for Loughborough (Nicky Morgan), looking at specific areas where there is a persistent and long-term lack of educational attainment and a gap in good school places absolutely has to sit alongside this consultation document. The rest of the Government reforms are now well under way and have delivered so much for children in Britain. They absolutely need to continue.

**Mr Nicholas Brown** (Newcastle upon Tyne East) (Lab): The Secretary of State’s statement is deeply divisive. Will she tell us the difference between the selection criteria for a grammar school and for a free school? What evidence base is available to her for not prioritising the needs of the young people who are not going to be selected?

**Justine Greening:** I would encourage the right hon. Gentleman to look at the Green Paper consultation document that we have published today. It not only talks about how we think grammars and selection can play a stronger role, particularly for improving the prospects for disadvantaged children who are academically able, but sets out our expectation that grammars can do a lot more to raise attainment more broadly in their local communities. As I said to the hon. Member for Ashton-under-Lyne (Angela Rayner), the challenge is that we have not engaged much in the reform of grammars before. Now is the time to ask them to do more, but in return we should also be prepared to enable them to open up in other parts of the country.

**Chloe Smith** (Norwich North) (Con): I have no ideological hang-up about letting the brightest children do well, but it is crucial to let the poorest come through to do so. I welcome this as the beginning of a debate and as one method by which we can increase the diversity of the school system. I particularly welcome my right hon. Friend’s mention of the role that universities can play. We can see the results of poor social mobility in my Norwich constituency, but universities, as well as existing teachers, are addressing the problem hard and should be encouraged in doing so.

**Justine Greening:** I think Norwich provides an excellent example of a place where we could see attainments raised by the University of East Anglia doing more in local communities. I would like to pay tribute to the work my hon. Friend is doing locally with her young people to help to ensure that that happens. We are at the beginning of understanding how universities can work effectively further back in the education system. The more we can work out how to do that successfully, the
more we will see how it can dramatically improve children’s prospects so that they can reach the levels of educational attainment that make going to university become an option.

Tristram Hunt (Stoke-on-Trent Central) (Lab): If the Government were serious about social mobility, they would focus on the early years and on technical and vocational provision. The one thing I welcome is the Secretary of State’s acceptance of the Labour party’s 2015 manifesto commitment on independent schools. Of course they should be doing more to earn their charitable status. I think we are entering into a consensus view on that. Rather than going down the blind alley of the Charitable Commission, I urge the Secretary of State to amend the Local Government Act 1988 so that the business rate relief of private schools is dependent on a hard partnership, as determined by the independent schools inspectorate. It remains a scandal that our sixth-form colleges are paying VAT and private schools have business rate relief. That has to end.

Justine Greening: As I understood the hon. Gentleman’s policy, it was simply to scrap charitable status, but what we want to do is to make sure that our independent schools actually earn that charitable status and truly deliver more public benefit than some are currently doing. It is fair to say, however, that the overwhelming number of independent schools already do much in their local communities.

William Wragg (Hazel Grove) (Con): As a comprehensive schoolboy, may I commend my right hon. Friend for her bold new departure? Will she ensure, however, that at all times the language used by the Government focuses on people’s aptitudes rather than solely on their academic ability? I believe that, in that way, there are no losers; instead, all talents are championed and pupils are fulfilled.

Justine Greening: As a comprehensive schoolgirl, I think that is an excellent point. I can assure my hon. Friend that this is about making sure that we have diversity and choice in our schools system so that, whatever kinds of talents children have, they can find a school that will truly enable them to be developed successfully.

Liz Kendall (Leicester West) (Lab): The attainment gap between poor and rich children is unacceptable. It holds them and our country back. The Secretary of State is simply wrong to say that expanding grammar schools will help the most disadvantaged children. They are less likely to get into grammar schools and more likely to fall further behind better-off children than in areas without selective schools. Will the Secretary of State focus instead on what evidence shows makes the biggest difference to disadvantaged children—high-quality early years services, getting the best heads and teachers in the schools that need the most and relentlessly driving up standards in academic and vocational qualifications?

Justine Greening: We are doing all those things, and, in fact, our proposals are intended to ensure that grammars do take more disadvantaged children. Labour had 13 years to think about this, and failed to do so.

Conor Burns (Bournemouth West) (Con): The Secretary of State will be aware that the community that I represent in Bournemouth and Poole already has access to high-quality local grammar schools, but may I make her aware of a change in admission policy that will begin in 2018 at Bournemouth School, which is headed by Dr Dorian Lewis? We are going to introduce a geographic limit prioritising Bournemouth pupils, and we are going to prioritise looked-after and formerly looked-after children and those receiving free school meals. Critically, we are going to combine those measures with an ambitious programme of outreach to primary schools to raise the aspiration of pupils and their parents to send their children to grammar schools.

Does the Secretary of State agree that those ambitious measures are entirely in line with the Prime Minister’s excellent new policy, and will she undertake either to come to Bournemouth School and see for herself what it is doing or to meet Dr Dorian Lewis if we bring him here to London?

Justine Greening: I should be happy to meet my hon. Friend’s local head teacher. What he has described is exactly what we want to see replicated across grammar schools in our country, and is relevant to the conditions that we will set for existing grammars to expand and new grammars to open. We want to ensure that they are engines for social mobility.

Caroline Flint (Don Valley) (Lab): I hope that we will have a debate about this, because it is important. None of us should be satisfied about the fact that too many of our children are not getting the best out of—what is it these days? Before long, it will be nearly 18 years of compulsory education.

When I last spoke in the Chamber, in a debate led by my former colleague Jo Cox, we talked about the lack of educational attainment in Yorkshire and Humberside. Three facts emerged from that debate: first, that so many of our children were 18 months behind their peers at the age of three; secondly, that in Doncaster and other areas outside our cities, we could not attract the best teachers for love nor money; and, thirdly, that the choice to be made by 14-year-olds was not good enough for those who wanted to follow a more vocational route. May I ask the Secretary of State please not to abandon issues that I feel are of greater importance to achieving the outcomes that she wants than a debate on grammar schools that could be divisive?

Justine Greening: I assure the right hon. Lady that I will never abandon the agenda of seeing what we can do to lift areas that are struggling in terms of educational attainment. I grew up in Rotherham, I went through the state school system there, and I am personally committed to ensuring that that area does better in the future than it has in the past. Having a role in which I can help to build the education system that enabled me to be successful presents an opportunity that I will make the most of.

David T. C. Davies (Monmouth) (Con): If the Secretary of State is indeed going to search for evidence, will she try to find out why the OECD has consistently said that educational outcomes in England are far better than they are in Wales, where we have had 17 years of Labour government?
**Justine Greening**: It is almost certainly because the Labour Government in Wales have failed to learn from the reforms that we have made here in the United Kingdom. It is interesting to note that many parents want to take advantage of the features of grammar schools that often make them successful, such as excellent teachers and outstanding leadership, a stretching, rigorous academic curriculum, excellent extra-curricular activities, and discipline. Those are the things that parents want throughout the school system, and our reforms have largely embedded them throughout the system, which is why standards are rising.

**Fiona Mactaggart** (Slough) (Lab): I am proud to represent a town that is ram-packed with what the Secretary of State calls “ordinary working-class people”.

*(Interruption.)* I am using the Secretary of State’s words. It is also a town that has grammar schools. People there are frustrated by the fact that their kids cannot get into local grammar schools because other people with much more resources are able to drive miles from west London and get their children into grammar schools on the basis of the 11-plus.

I am beginning to be unsure about what the Secretary of State means by a grammar school. When I talk to the heads of grammar schools, they say that they cannot devise an admission test that is tutor-proof. The point is that my constituents who cannot afford tutors are not getting places in the grammar schools, and therefore grammar schools do not serve, as her statement implies, those, in her words, “ordinary working-class people.” Unfortunately, they serve those people who can afford to tutor their kids.

**Justine Greening**: In that case, all the more reason for us to bring forward the reforms announced today. It is nonsensical to make an argument in the way the right hon. Lady has just done and then say we should do nothing about it.

**Sir Desmond Swayne** (New Forest West) (Con): The whole focus of the debate so far has been on the question of admissions, but what makes for a good school is not how the pupils have been admitted, but the quality of the leadership. How will the Secretary of State focus the debate and her proposals on how we secure more outstanding headteachers?

**Justine Greening**: As we have seen in many parts of the country, including London, what actually made the difference was schools working together, having outstanding headteachers going into what were underperforming schools, turning them around and then working with other schools in neighbouring areas to ensure that best practice was disseminated. Grammars need to play their role in doing that, hence these proposals.

**Stephen Timms** (East Ham) (Lab): The Secretary of State mentioned the Sutton Trust and it points out that 18% of pupils are on free school meals but only 3% of grammar school pupils are, so the fact that that small group does well does not support her policy, as she has claimed. Opening new grammar schools inevitably means creating new secondary modern schools, however it is dressed up. How can that possibly be a good idea?

**Justine Greening**: Again, the right hon. Gentleman was part of the Government that had 13 years to tackle the issue he has just set out and did nothing. The reality is we should be enabling parents to have more choice, including having selection and grammars if they want them, but we should also be challenging grammars to do more on reaching out to disadvantaged children. As we have heard, in Bournemouth and other parts of the country that is already happening. We should be seeing more of that, not simply trying to avoid the debate all together.

**Kwasi Kwarteng** (Spelthorne) (Con): I am very grateful for my right hon. Friend’s statement, which is an encouraging step in the right direction. Does she share my anxiety and frustration at the fact that so many of the objectors to this scheme are themselves the products of selective education? The French have a saying: “Le patron mange ici”, or the patron of the establishment—usually a restaurant—eats here, and is it not disappointing to see so many people who are the products of selective education say, “It’s alright for us, but it’s not alright for them”?

**Justine Greening**: I tend to agree with my hon. Friend, and I would add that on the one hand there is a vehement dislike of the status quo while on the other hand apparently an objection to bringing forward any reforms to change it.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): Let us deal with this nonsense that if we are not in favour of the Secretary of State’s reform, we are not in favour of any change. Where there is failure, underachievement or lack of ambition in the system, there should be change. The system should not be a reform-free zone. But if the Prime Minister believes that the expansion of grammar schools is better for social mobility, how does she explain that in grammar-school Kent just 27% of kids on free school meals get five good GCSEs, whereas the national average is 33% and in London, where there has been substantial turnaround based on all-ability schools, that figure is 45%?

**Justine Greening**: As the right hon. Gentleman sets out, the sense that somehow grammars are the only schools delivering good and outstanding education for our children is wrong. That is why we should not be shy of the fact that we ought to open up the system to allow grammars to play a stronger role; we can do that precisely because it is not a binary system any more with all the other schools in that system performing weakly. As he says, however, we need to recognise that it is not just opening up new grammars that is going to enable more children to get more good school places; that is part of the answer, but the other part of the answer is to enable schools to learn from one another and to collaborate more, and of course, as I have set out, to see other actors in the educational establishment, like universities and independent schools, playing a bigger role in the future.

**Sir Edward Leigh** (Gainsborough) (Con): Are not choice and diversity the key? We have been sitting here discussing this matter for over an hour, yet no one on either side of the House has suggested that a single existing grammar school should be abolished. Is it not
perverse to prevent successful grammar schools, such as Caistor Grammar School or Queen Elizabeth’s High School in my constituency, from expanding to take in more disadvantaged kids? We should allow them to take in such kids from disadvantaged areas in Lincoln, Grimsby or Scunthorpe. In regard to the cap on faith schools, why did we have it in the first place? It was perverse and bizarre, and it failed in its objective. Why should Catholic parents be prevented from sending their children to the faith school of their choice?

**Justine Greening:** This is about opening up choice for parents, including those who want grammar school places but do not have them, and about enabling more faith schools to open. About a third of the schools in our system are faith schools and many of them have played an outstanding role in educating our children. We should enable them to do more.

**Barbara Keeley** (Worsley and Eccles South) (Lab): I was the council cabinet member for education and children's services in Trafford, which retained selection at 11. Much as we tried to level up and to improve all our schools, I can tell the Secretary of State that the selective system there was expensive in budget terms, it could be divisive and it caused underperformance in a number of schools. In my experience, selection at 11 did not aid social mobility. Where is the evidence that it does?

**Justine Greening:** The evidence is in the fact that 99% of those schools are good or outstanding. They are a model that delivers great education. The evidence also comes from the Sutton Trust, which has tracked how children on free school meals do disproportionately well when they get into grammars. As for the hon. Lady’s challenge on the broader system, I think that grammars should rise to it in terms of raising attainment. As I pointed out earlier, however, the Sutton Trust’s research has also shown that there is no discernible reduction in attainment among children who are outside the grammar school system.

**Alec Shelbrooke** (Elmet and Rothwell) (Con): I really welcome the fact that we are opening up this debate and having a consultation on this subject and a Green Paper. However, I have to say to my right hon. Friend that I am quite worried about what I have heard so far, because I have not had the answers I have been looking for. One of the big answers is to the question: how do we avoid creating a stigma for those who stay in the comprehensive system and do not go to the selective entry schools? Unless we have enough spaces, people of equal ability will be unable to get into those schools. I welcome my right hon. Friend’s comments about academy trusts involving several schools, but I believe that investing to make the streamlining within existing schools better is a good way forward. Whatever the intentions might be, if there are schools that are known for their academic ability and others that are not, a stigma will be created. What I really want to see is an excellent education system in which people from any background can achieve their potential. I went to a comprehensive school. My sister went to a comprehensive school, and she is now a fellow of the Royal College of Surgeons. This can be done within the comprehensive system. We must not create stigma—that is what I am really worried about—but I welcome the fact that we are having this consultation.

**Mr Speaker:** I think that the full Shelbrooke world-view should be deposited in the Library of the House, preferably by the end of the week.

**Justine Greening:** I am grateful to my hon. Friend for his views. As he suggests, there are good and outstanding schools all over our country. This is not a binary choice between getting into a grammar and not having access to a good school. We are simply saying that academic children should have the ability to go to a school that will really stretch them, if that is what they want to do.

**Jenny Chapman** (Darlington) (Lab): What the Secretary of State has just said goes to the nub of the problem. An 11-year-old source close to me started comprehensive school last week. He does not yet know whether he wants to be a chef, an astronaut, a plasterer or a lawyer. He does not know what he wants to do. Why is the Secretary of State closing off opportunities to young people at such a young age?

**Justine Greening:** We are doing precisely the opposite. For example, the introduction of the EBacc and much of the reform of GCSEs will be about ensuring that children come out of our school system—whatever school they have gone into—having a rigorous, balanced set of GCSE results that are academic in nature, and that all options remain open to them.

**Michelle Donelan** (Chippenham) (Con): I applaud the determination of the Secretary of State and the Government to drive up standards for all, but will she confirm exactly how the proposal will prevent those who do not make the grade from being stigmatised and disincentivised? It could be particularly problematic given that all the evidence suggests that age 11 is too early to test aptitude and intellect, especially for boys.

**Justine Greening:** I encourage my hon. Friend to look at the consultation document that is coming out today. It sets out clearly how we want children to have more choice. Whatever the intentions might be, there is a need for them to work across the whole school system to raise attainment more broadly. I also say to her that we already have selection by house price and that a variety of schools already specialise, whether in music, art or sport—there will be children who do not get into those schools. The proposal is about having diversity and choice in the system to enable there to be a good school near each child that is tailored to their needs.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): Will the Secretary of State explain why she wants to link the sponsoring of schools by universities to higher tuition fees? This country’s students are already highly indebted from paying for their education without being required to pay for secondary education as well. Universities sponsoring schools might be a good thing, but asking students to pay for it is not.

**Justine Greening:** The hon. Lady may have misunderstood the proposal. We are saying that if universities want to be able to charge higher fees, they will need to play a stronger role in raising attainment in the system more broadly—alongside the work that they
already do with bursaries. We have seen that that works effectively in some cases and want to roll it out more widely.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Does my right hon. Friend agree that academic excellence is a good in and of itself, and therefore that something that is academically the best is worth having and that everything else around it is fundamentally secondary? I also congratulate her on opening up faith schools. That will be particularly welcomed by the Catholic Church, which has a fantastic record on faith schools in some of the most disadvantaged and diverse communities.

Justine Greening: My hon. Friend is absolutely right. The rule was ineffective and prevented Catholic faith schools from feeling that they could open under the free schools system. It is sensible to consider how we replace it with a set of rules that will work more effectively. From the reaction of the Opposition to my hon. Friend’s points on academic rigour and ability, it is clear that a class war is still under way—it is raging in the Labour party.

Derek Twigg (Halton) (Lab): Can we do away with the nonsense from some Conservative supporters of grammar schools that Labour Members are somehow hypocritical because we are all from grammar schools? I was brought up on a council estate and went to a secondary modern. The right hon. Member for Surrey Heath (Michael Gove) congratulated the Secretary of State on the moral purpose of what is being discussed today, but actually it is immoral to select young people on their academic ability. That is what we should be opposing.

I want to ask the Secretary of State a clear question. Sir Michael Wilshaw has come out against extending selection. Is he right or wrong?

Justine Greening: I have a lot of respect for Sir Michael Wilshaw, but I do not agree with him at all on this issue.

Simon Hoare (North Dorset) (Con): As the product of and with three children at state faith schools, I welcome my right hon. Friend’s recognition of the huge importance of faith schools and welcome the proposals that she has set before the House. However, I have questions about two areas. Deprivation, poverty and lack of aspiration are not restricted to our urban areas and exist across rural areas. Will she ensure that all proposals are rural-proofed, particularly in large rural areas where only one comprehensive secondary school serves a large catchment area? Will she also underscore that the Government’s commitment to fairer funding to the benefit of our rural schools will be in no way hindered by the proposals announced today?

Justine Greening: First, on my hon. Friend’s last point, the Government will shortly respond to the first phase of the consultation and will set out the second phase on how to ensure that the national funding formula is fair—he set out why it is so important that we do that. Secondly, my hon. Friend is right to highlight that rural schools are in a position to improve more strongly. One of the lessons of London is that schools are close together—I see this as a London MP—and it has been easier for teachers to spend time together working out how to raise standards. We need to ensure that we can take that approach while ensuring that it still works in areas where schools are more dispersed.

Richard Burden (Birmingham, Northfield) (Lab): The Secretary of State will know that in Birmingham grammar schools have existed alongside comprehensive schools for decades. Nobody argues that the King Edward schools are anything other than good schools, and they do collaborate with other schools. The point is, and I put this to the Secretary of State, that their existence has not changed and cannot change the life chances of the majority of children in Birmingham, including in terms of tackling the issue of underachievement of white working-class areas such as the one I represent. She suggests that she does not want structures to get in the way of standards. I put it to her that by making the expansion of segregation and selection the centrepiece of her ambition, her boss the Prime Minister is actually going in the opposite direction, and that whatever else this is about, it is not about schools that work for everybody.

Justine Greening: I totally disagree with the hon. Gentleman. As he will be aware, the schools in Birmingham that he talked about are now prioritising children who are eligible for the pupil premium. It is wrong simply to turn around to parents who want more choice and say that they cannot have it and that somehow they are wrong. We should be looking at how parents can get more choice and we should not simply be ignoring it, as his party is.

Claire Perry (Devizes) (Con): There is much to welcome in this statement and Green Paper—the focus on choice, the lack of ideology and the absolute commitment demonstrated by the Secretary of State to better education for all to meet the demands of the 21st century—but some things concern me. The reason why my school, Nailsea comprehensive, has improved so much, and indeed why the schools in my constituency have improved so much, is the impact of the academy programme and, in particular, the multi-academy trusts. They have enabled schools to embrace lower-performing schools, including at primary and pre-school level, to deliver better education. Will she say a little more about how her proposals would fit with the multi-academy trust model, which is so welcome? Will she indicate to the House who the decision makers will be if these choices are to be decided upon?

Justine Greening: As my hon. Friend will know, this consultation is the beginning of a discussion and debate about how we can make sure that these policy proposals work in practice. We are absolutely committed to continuing the process of working with more schools on becoming academies, as we know how much that has delivered in terms of results for our young people. The way in which multi-academy trusts are now able to work together to raise school attainment and to be themselves a way for school improvement to take place is at the heart of our Government education reforms. What we are saying with this Green Paper is that we think grammar schools should play a stronger role, in that existing system, in the future than they have done in the past.
Nic Dakin (Scunthorpe) (Lab): I was in one of the many high-performing comprehensives in my constituency on Friday, and I asked the headteacher what the real challenges are. She told me that it was those young people who are struggling academically but are from families with low aspirations. The Secretary of State’s proposals do nothing to address this issue. Why does she not experiment in the areas of the country that have grammar schools, make them take 25% free school meals students as a pilot and see what happens there before she meddles with everybody else’s education?

Justine Greening: I encourage the hon. Gentleman to look at the consultation document proposals, as I think he will welcome some elements of them. We have to remember that we are coming from a position of there being no conditionality on grammars whatsoever and far less push on them to reach out into more disadvantaged communities. That is precisely what we are setting out in this consultation document, while also setting out our intention to give parents more choice.

Ben Howlett (Bath) (Con): I welcome the Secretary of State’s and the Prime Minister’s commitment to opening up education for everyone and leaving nobody behind, but, having conducted research on this issue and asked the Library, I have found no evidence, thus far, to suggest that social mobility is improved as a result of opening up new grammar schools. What evidence has the Secretary of State got that she will present before this House to prove that opening new grammar schools will improve social mobility? That is something for which the Conservative party has worked hard for a very long time.

Justine Greening: I set out how research by the Sutton Trust has demonstrated the impact of grammars on free-school-meal children and on the broader school communities of which grammars are part. That is a case for change, not a case for keeping the status quo. I encourage my hon. Friend to look at our proposals to encourage my hon. Friend to look at our proposals to change it. As he knows, the challenge that we face is selection by house price. Parents simply do not have the choice if they are not able to buy a house in a catchment area. We think that is totally unacceptable and that grammars should do more to reach into disadvantaged communities, but we also think that parents in those communities should have the choice of a grammar if that is what they want.

Craig Whittaker (Calder Valley) (Con): The Calder Valley is unique in the north of England, as we are still served by three state grammar schools, all of which are hugely popular with parents and pupils alike. Will my right hon. Friend, however, look at how we encourage state primary schools to help those pupils, particularly those from deprived backgrounds, who opt to sit the entrance exam, which my local state primary schools are currently opposed to doing?

Justine Greening: The hon. Gentleman argues about the status quo, while resolutely standing against any proposals to change it. As he knows, the challenge that we face is selection by house price. Parents simply do not have the choice if they are not able to buy a house in a catchment area. We think that is totally unacceptable and that grammars should do more to reach into disadvantaged communities, but we also think that parents in those communities should have the choice of a grammar if that is what they want.

Mike Kane (Wythenshawe and Sale East) (Lab): As the Secretary of State will know from her previous job, faith-based institutions are the biggest providers of schools on the planet. I think the grammar school issue is a smokescreen to hide the disastrous policy of the 9% arbitrary cap that this Government introduced, which has led to few schools being built in areas of demand and thousands of parents therefore being denied their choice. That is this Government’s record.
Justine Greening: I do not think that is correct. The reality is that 1.4 million more children are now in good or outstanding schools. We have improving standards and a tougher but appropriately stretching curriculum. That is progress, and it is a lot more progress than Labour made.

John Stevenson (Carlisle) (Con): I was very interested in my right hon. Friend’s comments about the independent sector. Independent schools clearly have much to offer the public sector, but if an independent school does not make an adequate contribution, or is not willing to, will she consider putting VAT on its fees?

Justine Greening: The reality is that we will work with the Charity Commission to set a more stretching, tougher bar for independent schools to demonstrate that they are, indeed, eligible for charitable status. If they are unable or unwilling to meet those tougher standards, they simply will not be able to get charitable status, and that will then, of course, impact on their tax status too.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): What does it say when the new Prime Minister’s first major initiative is so regressive that the former Tory reforms we are bringing forward are going to be successful.

Justine Greening: We are working on all of those things, but that does not mean that we should not ask ourselves additionally how we can make sure that there are more good school places for more children, especially in parts of the country where there are currently insufficient good school places. It is not an either/or question. These proposals today—this Green Paper that we are opening up—are about how we ensure that the overall reforms we are bringing forward are going to be successful.

Mr Julian Brazier (Canterbury) (Con): I congratulate my right hon. Friend on her vision on religious and selective schools. May I shift the spotlight to STEM subjects—science, technology, engineering and maths? The Simon Langton boys school in my constituency, has, for several years running, produced more than 1% of this country’s physics graduates. However, there is an even greater issue around maths. The blunt truth is that a child with mathematical abilities in a poor area is very unlikely to find sufficient children in the top stream of their comprehensive to provide a critical mass for maths A-level or, indeed, the more demanding teaching needed further down the school.

Justine Greening: One thing the Government have focused on has been increasing the number of children in and entries for STEM subjects—maths A-level, for example, is now the most popular A-level there is. But there is a lot further to go, not least so that we ensure that children are taking the academic exams that will open up opportunity, but also because that is what our economy needs.

Danny Kinahan (South Antrim) (UUP): I am sure that the Secretary of State knows this because it has been touched on before, but in Northern Ireland 67 of our schools are grammar schools. We often lead in the results in the United Kingdom. One third, though, are failing. I would welcome the right hon. Lady coming to Northern Ireland to talk to all parties as well as to look at the three side effects of having grammar schools. It is important to ensure that vocations are still looked at, that we have standardised tests that everyone can get at and that we have the sharing of resources with other schools so that they are not left behind.

Justine Greening: The hon. Gentleman sets it out very well. It is about having a balanced package of reforms that mean not only that parents have choice, but that, fundamentally, grammars are engines of social mobility.

Victoria Atkins (Louth and Horncastle) (Con): I welcome my right hon. Friend’s commitment to sharing the success of grammar schools with neighbouring non-selective schools, and I welcome it because it is already happening in my constituency with the Horncastle Umbrella Trust, thought to be the first partnership in the country between a grammar school, Queen Elizabeth’s, and its neighbouring non-selective academy, Banovallum School. The trust works for the good of all children in Horncastle, sharing teaching practices and facilities, and bringing the students together to learn together, with pleasing GCSE results this summer for Banovallum. Will my right hon. Friend please look at these schools and the other excellent selective and non-selective schools in my constituency to see whether their example can work elsewhere in the country?

Justine Greening: I think my hon. Friend will welcome the proposals that we are setting out in the consultation document, which aim to look at how we can see stronger, more connected relationships between grammar schools and other schools nearby, and how, working together, they can lift overall attainment.

Mr Gavin Shuker (Luton South) (Lab/Co-op): As a product of Luton’s comprehensive system, I know at first hand the benefits that come from good leadership and good teaching, and that has never held back capable students from social mobility. I will do everything I can, as the town’s MP, to oppose segregation. Why does the Secretary of State believe that a system in which the pupil is chosen by the school at 11 is better than the shift that has happened in the past 15 or 20 years whereby pupil and parent together decide on a pathway at 14?

Justine Greening: Again, I do not accept that this is somehow an either/or approach on education. It is about driving more choice for parents, having more schools that can be tailored to particular children’s needs, and, in the end, raising educational standards.

Martin Vickers (Cleethorpes) (Con): I welcome my right hon. Friend’s statement. In the week or so since this debate began, it has received a very favourable response from my constituents. If we are to maximise the opportunities for our young people, we need not just more grammar schools but more young people
reaching the standard at the age of 11 to qualify for them. Can she give an absolute assurance that adequate resources will be provided at all schools? She spoke of opening excellent feeder schools, but we want to make the existing schools excellent feeder schools.

Justine Greening: One of the suggestions is that expanding grammars could sponsor a primary feeder, particularly in an area of lower-income families, if that was a possibility. As my hon. Friend says, we have to look at all the work we have done in primary schools in terms of phonics and improving maths, driving up attainment to make sure that children are not only ready but at the right level to be able to move into a secondary system and then finish their education from there.

Julie Cooper (Burnley) (Lab): I would like to congratulate the young people in my constituency who have been successful in their GCSE and A-level results this year. There is no shortage nationwide in access to excellent academic education. Our world-leading universities are welcoming more students from this country than ever before. However, we are not so good at providing access to technical and vocational qualifications, and employers across the length and breadth of this country are crying out for those skills. How exactly will introducing more grammar schools improve this situation?

Justine Greening: It needs to sit alongside the Government’s existing push on improving vocational education, improving young people’s chances to get work experience, and bringing forward 3 million apprenticeships. The hon. Lady is absolutely right to reflect on the fact that although many children will do A-levels and go on into our university system, with a higher proportion and absolute number than ever before now coming from disadvantaged families, many young people will not follow that route. We have to make sure that the vocational route can really deliver for them too.

Matt Warman (Boston and Skegness) (Con): In Lincolnshire we already have grammar schools. With about a third of pupils going to them, many from deprived backgrounds, it is clear that in the right ecosystem grammar schools can be a real engine for social mobility. In deprived backgrounds, it is clear that in the right ecosystem, grammar schools can be a real engine for social mobility, and, by contrast, other schools—the 1950s and ‘60s secondary moderns—that were not even testing the children that came through their doors, let alone really driving attainment. We are in a very different place now, with a much wider, more diverse system, but that is why we are also right to start opening it up.

Liz McInnes (Heywood and Middleton) (Lab): I echo the words of my right hon. Friend the Member for Slough (Fiona Mactaggart): far from opening up opportunities to all children, all this proposal does is open up opportunities to those children whose parents can afford private tutors for them, to train and coach them through the grammar school exam. I also pay tribute to my hon. Friend the Member for Seunthorpe (Nic Dakin) for his excellent suggestion that our current grammar schools should pilot some of these ideas. The Secretary of State has talked about reforming the 11-plus exam. Why does she not start that reform with our existing grammars, make the exam tutor-proof and do what she says is going to happen, namely give all young people an opportunity?

Justine Greening: I know that the hon. Lady will welcome the fact that a number of grammar schools are already looking at how they can make sure that their test focuses more on the underlying abilities of the child than on the ability of their parents to pay for a tutor. We should also look at other ways in which we can overcome those barriers, but I do not think that the answer to that is to simply—[Interruption.]

Mr Speaker: Order. We cannot have a series of side conversations and Members chuntering from a sedentary position across the Chamber in evident disapproval of what the other is saying while the Secretary of State is trying to respond to questions. I was speaking to a very large group of school students in Ochil and South Perthshire on Friday, and the habitual refrain—[Interruption. Order. I am sure that the hon. Member for Sutton and Cheam (Paul Scully) will be interested in this, and if he is not, he ought to be. The habitual refrain of quite a number of the pupils was, “Why is it sometimes in Parliament that Members are discourteous to each other?” We should try to set a good example. What is required is the statesmanlike demeanour personified by the Minister for Schools, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), who is sitting in a solemn and reflective manner. There are many examples of Labour Members who are sitting in a similar way. We should learn from them.

Justine Greening: My hon. Friend the Minister for Schools is, indeed, one of the principal reasons behind why school reform in our education system has delivered better outcomes for so many children. The hon. Member for Heywood and Middleton (Liz McInnes) has set out some of the challenges. Many grammar schools are already looking at how to ensure that they are open to more children from disadvantaged backgrounds, and I am sure that she will welcome some of the conditions that we will set on grammars to expand and some of the challenges that we will put on existing grammars to do more.

Alex Chalk (Cheltenham) (Con): On selective schools, the Secretary of State agree that we must take account of local circumstances? Cheltenham has some of the strongest comprehensives anywhere in the country, they offer exemplary academic rigour—and they sit alongside an excellent grammar school. Does she agree
that, where great opportunities already exist and are growing, thanks to this Government’s policies, and local parents are happy with that provision, nothing should be done to disturb that delicate local balance?

**Justine Greening:** I do, and I have been very clear today that, as part of the consultation, we understand that we need to work with local communities. This is about more choice; it is not about dictating which schools people should have locally.

**Diana Johnson** (Kingston upon Hull North) (Lab): May I press the Secretary of State on STEM—science, technology, engineering and maths—subjects? With the Humber becoming the UK’s energy estuary, thousands of new jobs will depend on people having scientific and vocational qualifications and good apprenticeships. If we are really serious about schools that work for everyone—we already have academies, we are getting a universal technical college and we have free schools—would it not be much better to concentrate on making them work best for our children, rather than introduce grammar schools, which are for a bygone age and not for this century?

**Justine Greening:** I will say two things in response. First, we have seen significant improvements in children’s attainment in maths and English over recent years, and we are introducing a more stretching curriculum for GCSEs. Set against that, some of the schools that are delivering best for children in achieving attainment in STEM subjects are themselves grammars, so it makes sense to look at what we can do to increase diversity and choice for families in those circumstances; and that she will look at how to increase diversity and choice for families in those circumstances; and that she will continue to address the shortfall in the education funding that many rural areas receive?

**Justine Greening:** My hon. Friend has set out, as in previous points that have been made, the particular challenges that rural communities face in having strong choice and strong school places locally. I assure him that I am well aware that hon. Members in rural areas are concerned to see us get on with the national funding formula next steps, and we will be announcing what we are going to do shortly.

**Christian Matheson** (City of Chester) (Lab): May I give the Secretary of State the opportunity to answer a question that I tried to get her to answer last week, which she simply failed to address? We can either have school selection or we can have parental choice; on one hand the school selects, and on the other the parents choose. Which is it?

**Justine Greening:** In the end, it is both. At the moment, many parents do not have the choice of a grammar school, so it makes sense to see what we can do to rectify that. I disagree with the underlying premise of the hon. Gentleman’s question, which is that if a child cannot get into a grammar, there are no other good schools around for them. We want to make sure that there are. In many parts of the country, grammars and non-grammar schools coexist very well together and, indeed, work very effectively together. We would be wrong not to respond to parents who want more good school places and the option of a grammar school for their child.

**Mrs Flick Drummond** (Portsmouth South) (Con): May I take the opportunity to ask my right hon. Friend to congratulate Portsmouth schools, both academy and Manchester Challenge, which sadly was scrapped in the early days of the previous coalition Government. May I urge the Secretary of State, as part of this process, to focus not solely on structures but on collaboration, the drive for better standards and making sure we best use teaching and leadership to drive up educational standards in places such as Greater Manchester?
comprehensive, on another improvement in their results this year; and to congratulate St Edmund’s Catholic School on becoming an outstanding comprehensive? Will my right hon. Friend assure me that whatever structures we have, be they academies, grammars or comprehensives, the Government will concentrate on the quality of teaching, because that has the most crucial impact in raising standards?

**Justine Greening:** I congratulate the schools in my hon. Friend’s local area on their recent results, which are down not only to the hard work of the children, but to the dedication of the teachers in those schools that has enabled the children to do so well. As she points out, in the end this comes down to improving the quality of teaching—that is how we get good schools—and we believe that grammars can play a role in that.

**Mr Nigel Evans** (Ribble Valley) (Con): The former Prime Minister, who has been mentioned in the Chamber—we will miss him around the Commons—did not go to a grammar school, but his parents managed to get him into a decent school. Is that not the point? I went to a grammar school, and I would not wish to deny that to youngsters growing up on working-class estates like the one where I grew up.

Will the Secretary of State take on one thing, which is that, increasingly, people will not be going to their nearest school? In Ribble Valley, we have Clitheroe Royal Grammar School and a number of other good schools, yet the county council refuses to give assistance to youngsters not going to their closest school. Parents are being clobbered with costs of £600, or sometimes of over £1,000 if they have two youngsters who are not going to the nearest school. Will she work with the Department for Communities and Local Government to make sure that parents and youngsters are not financially disadvantaged?

**Justine Greening:** My hon. Friend makes an important point. In many respects, the fact that parents want places closer to where their children live underlines why we are right to give parents more choice. He raises the issue of transport costs and I am very well aware of it, and I will certainly look at what I can do to ensure that, wherever children are in our country, transport costs are not a barrier to going to the school they get into.

**Jason McCartney** (Colne Valley) (Con): We are very lucky in my constituency, because the brightest young people from all backgrounds are already flourishing in my locally run local education authority schools, local academies and the co-operative trust school, and we are very well served with progression to two sixth-form colleges—Greenhead College and Huddersfield New College. Will the Secretary of State assure me and local parents that this is a genuine consultation, and will she focus on social mobility and funding for smaller schools, rather than selection and segregation?

**Justine Greening:** I assure my hon. Friend that this is a very open and genuine Green Paper consultation. I will be interested to see the submission he makes to it. As I have said to many hon. Members, this is not about forcing local communities to have schools that they do not want; it is about working with local communities and simply giving parents more choice, if that is what they want. At the moment, there are too many parts of the country where people want it but do not have it, and we should try to do something about that.

**Richard Drax** (South Dorset) (Con): I welcome my right hon. Friend to her place, and I also welcome her suggestions for educational reforms. May I suggest that this is not about segregation, as has been suggested by some Members on both sides of the House, but about aspiration? We only have to look at our Olympic gold medallists and other medallists, who are streamed to perfection—not everyone can attain that—and the inspiration derived from their success that ripples the whole way down to those who, perhaps like me, are not the best at the 100 metres.

**Justine Greening:** As my hon. Friend points out, raising children’s expectations, and also their parents’ expectations, is absolutely critical. We believe we can open up our school system to allow selection to play a role in helping that take place, but I have also set out how I want independent schools and universities to play a stronger role. Doing so will fundamentally set goals high for our children, and if they are set high, children have a chance of reaching them.

**Mark Pawsey** (Rugby) (Con): Rugby has three outstanding grammar schools, and parents will be delighted that they are able to expand. The very fact of their excellence means that bright youngsters from towns and cities outside Rugby apply for and are allocated places at them, some of which might otherwise go to Rugby children. Does the Secretary of State join me in welcoming the fact that not only will the development of grammar schools in other areas be right for those areas, but it will mean that a greater proportion of our selective places can be taken up by Rugby pupils?

**Justine Greening:** Indeed, I do. Although it was depressing to hear Labour Members not even willing to engage with the sort of issues that local communities actually face, we are right to open up this debate so that we can take a measured approach to understanding what a 21st-century policy on grammars should be.

**Paul Scully** (Sutton and Cheam) (Con): I am grateful for your generosity in allowing me to ask a question following my absence, Mr Speaker.

I welcome the Secretary of State’s comments about the fact that schools have already started to change their admissions exams to recognise that the over-tutoring of children just to squeeze them into grammar schools can have a negative effect, because they may struggle for the following seven years.

We were asked for a London example. Does the Secretary of State agree that the example of Sutton is a good one? There are six either fully or partly selective schools working closely with two Catholic schools, two schools that provide extra assistance to those who are gifted at sport, and other schools that provide a wide range of vocational training, including Stanley Park High School in the neighbouring constituency of Carshalton and Wallington. Stanley Park has gone from being an average state school to being The Times Educational Supplement’s secondary school of the year.
[Paul Scully]

All that is underpinned by inspirational leadership and great teaching, which is what can make schools work for everyone.

Mr Speaker: The hon. Gentleman has obviously used the long wait to allow his thoughts to fructify in his mind. We are deeply obliged to him.

Justine Greening: My hon. Friend sets out how a number of very different schools can work together effectively to raise standards and attainment collectively, while at the same time giving parents a choice so that they can find the school nearby that will be best for their child. That is precisely what we are aiming for in opening up the debate and issuing the Green Paper, and I look forward to continuing that over the coming months.

Mr Speaker: I thank the Secretary of State and all colleagues who have taken part in this important series of exchanges.

BILL PRESENTED

ARMS EXPORT CONTROLS (COUNTRIES OF CONCERN) BILL

Presentation and First Reading (Standing Order No. 57)

Tom Brake presented a Bill to establish a presumption against licensing arms exports to certain countries designated by the Secretary of State as being countries of concern in relation to their respect for human rights; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 63).

WALES BILL: PROGRAMME (NO. 2)

Ordered,

That the following provisions shall apply to the Wales Bill, in place of paragraphs (5) and (6) of the Order of 14 June 2016:

(1) Proceedings on Consideration shall be taken in the order shown in the first column of the following Table and shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

<table>
<thead>
<tr>
<th>Provisions</th>
<th>Time for conclusion of proceedings</th>
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<tbody>
<tr>
<td>New Clauses and new Schedules relating to Part 1; amendments to Part 1.</td>
<td>Two and a half hours after the commencement of proceedings on the motion for this order.</td>
</tr>
<tr>
<td>New Clauses and new Schedules relating to Part 2; amendments to Part 2; New Clauses and new Schedules relating to Part 3; amendments to Part 3; New Clauses and new Schedules relating to Part 4; amendments to Part 4; remaining proceedings on Consideration.</td>
<td>Five hours after the commencement of proceedings on the motion for this order.</td>
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(2) Any proceedings in Legislative Grand Committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion six hours after the commencement of proceedings on the motion for this order.—(Heather Wheeler.)

Wales Bill

Consideration of Bill, as amended in the Committee

[Relevant documents: First Report from the Welsh Affairs Committee, Session 2015-16, on Pre-legislative scrutiny of the draft Wales Bill, HC 449, and the Government response, HC 280.]

New Clause 4

ELECTIONS OF POLICE AND CRIME COMMISSIONERS

“(1) Section 50 of the Police Reform and Social Responsibility Act 2011 (timing of ordinary election of police and crime commissioners) is amended as set out in subsections (2) to (4). (2) In subsection (3), for “the ordinary day of election” substitute “the first Thursday in May”. (3) In subsection (5)— (a) in paragraph (a), for “the ordinary day of election” substitute “the first Thursday in May”; (b) in paragraph (b), for the words from “the ordinary day of election” to “in relation to Wales,” substitute “the first Thursday in May”. (4) Omit subsection (6). (5) In section 51 of that Act (election to fill vacancy in office of commissioner), for subsection (6) substitute— “(6) A person is a relevant elector for the purposes of subsection (5) in relation to a police area in England if the person is registered in a register of local government electors in respect of an address within the police area. A person is a relevant elector for the purposes of subsection (5) in relation to a police area in Wales if subsection (6B) or (6C) applies. (6B) This subsection applies if— (a) the person is registered in a register of parliamentary electors in respect of an address within the police area, and (b) the registration is not in pursuance of an overseas elector’s declaration. (6C) This subsection applies if— (a) the person is disqualified as a peer from voting as an elector at parliamentary elections, or is a relevant citizen of the Union, and (b) the person is registered in a register of local government electors in respect of an address within the police area.” (6) Section 52 of that Act (persons entitled to vote) is amended as set out in subsections (7) and (8). (7) In subsection (1), after “a police area” insert “in England”. (8) After subsection (1) insert— “(1A) A person is entitled to vote as an elector at an election of a police and crime commissioner for a police area in Wales if subsection (1B) or (1C) applies. (1B) This subsection applies if on the date of the poll— (a) the person would be entitled to vote as an elector at a parliamentary election in a constituency wholly or partly comprised in the police area, (b) the address in respect of which the person is registered in the register of parliamentary electors for that constituency is within the police area, and (c) the registration is not in pursuance of an overseas elector’s declaration. (1C) This subsection applies if on the date of the poll— (a) the person is disqualified as a peer from voting as an elector at parliamentary elections, or is a relevant citizen of the Union who has attained the age of 18, (b) the person would be entitled to vote as an elector at a local government election in an electoral area wholly or partly comprised in the police area, and...
(c) the address in respect of which the person is registered in the register of local government electors for that electoral area is within the police area."

(9) Section 64 of that Act (disqualification for election as police and crime commissioner) is amended as set out in subsections (10) and (11).

(10) In subsection (1), after "a police area" insert "in England".

(11) After subsection (1) insert—

"(1A) A person is disqualified from being elected to the office of police and crime commissioner for a police area in Wales at any election unless—

(a) the person has attained the age of 18 when nominated as a candidate at the election, and

(b) on each relevant day subsection (1B) or (1C) applies.

(1B) This subsection applies if—

(a) the person is registered in a register of parliamentary electors in respect of an address within the police area, and

(b) the registration is not in pursuance of an overseas elector's declaration.

(1C) This subsection applies if—

(a) the person is disqualified as a peer from voting as an elector at parliamentary elections, or is a relevant citizen of the Union, and

(b) the person is registered in a register of local government electors in respect of an address within the police area."

(12) In section 102 of that Act (interpretation of Part 1), in subsection (1), at the appropriate places insert—

""overseas elector’s declaration" has the meaning given by section 2 of the Representation of the People Act 1983;"

""relevant citizen of the Union" has the meaning given by section 202(1) of the Representation of the People Act 1983;"—(Alun Cairns.)

The new clause provides for timing of, franchise for, and eligibility of candidates in, PCC elections (which are reserved) to cease generally to be linked to local government elections (which are to be devolved), and for ordinary PCC elections to continue to be on the same day in England and in Wales.

Brought up, and read the First time.

5.27 pm

The Secretary of State for Wales (Alun Cairns): I beg to move, That the clause be read a Second time.

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

Government amendments 3 to 7.

Amendment 60, in clause 1, page 2, leave out lines 4 to 9 and insert—

“PART 2B

ESTABLISHMENT OF TWO DISTINCT JURISDICTIONS

92B Legal jurisdictions of Wales and of England

The legal jurisdiction of England and Wales becomes two legal jurisdictions, that of Wales and that of England.

92C The law of Wales and the law of England

(1) The law of England and Wales is divided into the law of Wales and the law of England.

(2) All of the law that extends to England and Wales immediately before the coming into force of this section—

(a) except in so far as it applies only in relation to England, is to extend to Wales (and becomes the law of Wales), and

(b) except in so far as it applies only in relation to Wales, is to extend to England (and becomes the law of England).

(3) In this section “law” includes—

(a) rules and principles of common law and equity,

(b) provision made by virtue of an Act of the United Kingdom Parliament, an Act of the Welsh Parliament or an Act or Measure of the National Assembly for Wales, and

(c) provision made pursuant to the prerogative.

(4) 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).

92D Senior Courts system

(1) The Senior Courts of England and Wales cease to exist (except for the purposes of sections 92H (3) and (4)) and there are established in place of them—

(a) the Senior Courts of Wales, and

(b) the Senior Courts of England.

(2) The Senior Courts of Wales consist of—

(a) the Court of Appeal of Wales, and

(b) the High Court of Justice of Wales, and

(c) the Crown Court of Wales, each having the same functions in Wales as are exercisable by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(3) The Senior Courts of England consist of—

(a) the Court of Appeal of England, and

(b) the High Court of Justice of England, and

(c) the Crown Court of England, each having the same functions in England as are exercisable 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 Wales and the Court of Appeal of England,

(b) Her Majesty's High Court of Justice in England is the court corresponding to the High Court of Justice of Wales and the High Court of Justice of England, and

(c) the Crown Court constituted by section 4 of the Courts Act 1971 is the court corresponding to the Crown Court of Wales and the Crown Court of England.

(5) Subject to section 92I—

(a) references in enactments, instruments and other documents to the Senior Courts of England and Wales (however expressed) have effect (as the context requires) as references to the Senior Courts of Wales or the Senior Courts of England, or both; and

(b) references in enactments, instruments and other documents 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 County court and family court

(1) The county court and the family court cease to exist (except for the purposes of sections 92H (3) and (4)) and there are established in place of them—

(a) the county court of Wales and the family court of Wales with the same functions in Wales as are exercisable by the county court and the family court (respectively) immediately before this subsection comes into force, and
(b) the county court of England and the family court of Wales with the same functions in England as are exercisable by the county court and the family court (respectively) immediately before this subsection comes into force.

(2) For the purposes of this Part—

(a) the county court is the court corresponding to the county court of Wales and the county court of England, and

(b) the family court is the court corresponding to the family court of Wales and the family court of England.

(3) Subject to section 92I references in enactments, instruments and other documents to the county court or the family court (however expressed) have effect as references to either or both of the courts to which they correspond.

92F Judiciary etc.

(1) All of the judges, judicial office-holders and other officers of Her Majesty’s Court of Appeal in England or Her Majesty’s High Court of Justice in England become judges, judicial office-holders or officers of both of the courts to which that court corresponds.

(2) All of 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 functions of both of the courts to which that court corresponds are exercisable except that (despite section 8(2) of the Senior Courts Act 1981)—

(a) a justice of the peace assigned to a local justice area in England may not by virtue of this subsection exercise functions of the Crown Court of Wales, and

(b) a justice of the peace assigned to a local justice area in Wales may not by virtue of this subsection exercise functions of the Crown Court of England.

(3) All of the judges, judicial office-holders and other officers of the county court become judges, judicial office-holders or officers of the county court of Wales and the county court of England.

(4) All of the judges, judicial office-holders and other officers of the family court become judges, judicial office-holders or officers of the family court of Wales and the family court of England.

92G Legal professions

(1) Every legal practitioner who would (but for this Part) at any time after the coming into force of this Act be entitled to carry on a reserved legal activity for the purposes of the law of England and Wales, in proceedings in England and Wales or before the courts of England and Wales, has at that time the same entitlement for the purposes of the law of England and the law of Wales, in proceedings in England and proceedings in Wales and before the courts of England and the courts of Wales.

(2) In this section—

“legal practitioner” means every solicitor, barrister, notary, legal executive, licensed conveyancer, patent attorney, trade mark attorney, law costs draftsman, accountant or other person who, in accordance with the Legal Services Act 2007 (c. 29), is entitled to carry on a reserved legal activity;

“reserved legal activity” has the same meaning as in the Legal Services Act 2007.

92H Division of business between courts of Wales and courts of England

(1) The Senior Courts of Wales, the county court of Wales, the family court of Wales and the justices for local justice areas in Wales are to apply the law extending to Wales (including the rules of private international law relating to the application of foreign law).

(2) The Senior Courts of England, the county court of England, the family court of England and the justices for local justice areas in England are to apply the law extending to England (including the rules of private international law relating to the application of foreign law).

(3) All proceedings, whether civil or criminal, pending in any of the Senior Courts of England and Wales, the county court or the family court (including proceedings in which a judgment or order has been given or made but not enforced) must be transferred by that court to whichever of the courts to which that court corresponds appears appropriate.

(4) The transferred proceedings are to continue as if the case had originated in, and the previous proceedings had been taken in, that other court.

Supplementary

92I Power to make further provision

(1) Her Majesty may by Order in Council make provision (including provision amending or otherwise modifying any enactment or instrument, including this Act) that appears appropriate in consequence of, or otherwise in connection with, the provision made by this Part.

(2) The provision that may be made under subsection (1) includes in particular provision relating to—

(a) courts,

(b) tribunals,

(c) the judges, judicial officers and other members and officers of courts and tribunals,

(d) the Counsel General or other law officers,

(e) the legal professions.

(f) the law relating to the jurisdiction of courts and tribunals, and

(g) other aspects of private international law (including, in particular, choice of law, domicile and the recognition and enforcement of judgments and awards).

(3) No Order may be made under subsection (1) unless a draft of the Order has been laid before, and approved by resolution of—

(a) each House of the United Kingdom Parliament, and

(b) the Welsh Parliament.”

This amendment replaces the Bill’s proposed recognition of Welsh law with provisions to establish two distinct legal jurisdictions of England and Wales, as drafted by the Welsh Government.

Government amendments 8 to 12.

Amendment 68, in clause 8, page 10, line 2, at end add

“in relation to any of the matters in subsection (2)(a) to (e) a majority of the total number of Assembly seats in relation to the matters in subsection (2)(d) or (e).”

This amendment would substitute a majority of Assembly Members for the two-thirds super-majority required to change the existing specification or number of constituencies, regions or any equivalent electoral area, and the number of members to be returned for each constituency.

Government amendment 13.

Amendment 69, page 10, line 26, at end add

in relation to any of the matters in section 111A (2)(a) to (c) or a majority of the total number of Assembly seats in relation to the matters in section 111A (2)(d) or (e).”

This amendment is consequential on amendment 68, to substitute a majority of Assembly Members for the two-thirds super-majority required to change the existing specification or number of constituencies, regions or any equivalent electoral area, and the number of members to be returned for each constituency.

Government amendments 14 to 22 and 26.
Amendment 63, in schedule 1, page 50, line 31, leave out “Betting, gaming and”.

This amendment with amendments 64 and 65 would devolve betting, gaming and lotteries in Wales (other than the National Lottery) to Welsh Ministers and the National Assembly for Wales.

Amendment 64, page 50, leave out line 32 and insert “The National Lottery”.

See amendment 63.

Amendment 1, page 50, line 32, at end insert—

“Exception

In the case of a betting premises licence under the Gambling Act 2005, other than one in respect of a track, the number of gaming machines authorised for which the maximum charge for use is more than £10 (or whether such machines are authorised).”

This amendment would modify section B18 (betting, gaming and lotteries) of proposed Schedule 7A to the Government of Wales Act 2006 such that the number of gaming machines authorised by a betting licence in Wales would fall within the legislative competence of the National Assembly for Wales. A corresponding amendment (NC2) proposes that powers be granted to the Welsh Ministers, under the Gambling Act 2005, to regulate the number of gaming machines authorised by a betting licence in Wales.

Amendment 65, page 50, line 32, at end insert—

“Exception

All lotteries other than the National Lottery”.

See amendment 63.

Amendment 67, page 59, line 36, at end add

“other than the Wales and Borders franchise”.

This amendment allows the Welsh Government to be responsible for the Wales and Borders franchise.

Amendment 61, page 68, line 17, at end insert—

“Exceptions

Welsh language broadcasting and other Welsh language media.”

This amendment would devolve competence to the National Assembly for Wales in relation to Welsh language broadcasting and other Welsh language media.

Amendment 2, page 72, line 28, leave out paragraph 184.

This amendment would modify section M4 (development and buildings) of Part 2 of proposed Schedule 7A to the Government of Wales Act 2006 such that the community infrastructure levy would fall within the legislative competence of the National Assembly for Wales.

Government amendments 27 to 33.

Amendment 66, in schedule 2, page 85, line 3, at end insert—

“(11A) The requirement for consent by the appropriate Minister under—

(a) paragraph 8 above, in relation to a reserved authority,
(b) paragraph 10 above, in relation to public authorities (other than Wales public authorities), or
(c) paragraph 11 above, in relation to functions of a Minister of the Crown or any power of the Secretary of State under section 6 of the Railways Act 2006 does not apply where the provision of an Act of the Assembly relates to a Welsh language function.”

This amendment removes the requirement for Ministerial consent for Acts of the Assembly affecting functions of reserved authorities, public authorities or Ministers where the Act of the Assembly relates to a Welsh language function.

Government amendments 34 to 42.

New clause 2—Gaming machines on licensed betting premises—

“(1) The Gambling Act 2005 is amended as follows.
(2) In subsection (12) of section 172 (gaming machines), after paragraph (a) insert—

‘(aa) the Welsh Ministers, so far as, in the case of a betting premises licence in respect of premises in Wales and not in respect of a track, the order varies—

(i) the number of gaming machines authorised for which the maximum charge for use is more than £10, or
(ii) whether such machines are authorised;’

(3) In section 355 (regulations, orders and rules)—

(a) in subsection (1) after “the Secretary of State” for “or the Scottish Ministers” substitute ‘, the Scottish Ministers or the Welsh Ministers’;
(b) at the end insert—

‘(12) An order made by the Welsh Ministers under section 172 shall not be made unless a draft of the Order has been laid before and approved by resolution of the National Assembly for Wales.’

(4) The amendments made by this section do not apply in relation to a betting premises licence issued before this section comes into force.”

This new clause would give powers to the Welsh Ministers, under the Gambling Act 2005, to regulate the number of gaming machines authorised by a betting licence in Wales. A corresponding amendment (amendment 1) has been proposed to modify this aspect of the reservation to the legislative competence of the National Assembly for Wales on betting, gaming and lotteries (section B18 of proposed Schedule 7A to the Government of Wales Act 2006 set out in Schedule 1 to this Bill).

Amendment (a) to new clause 2, leave out “£10” and insert “£2”.

Amendment (b) to new clause 2, leave out “do not”.

New clause 3—Rail: franchising of passenger services—

“(1) Section 25 of the Railways Act 1993 (public sector operators not to be franchisees) is amended as follows.

(2) At the end of subsection (2A) insert ‘or a franchise agreement in respect of services that are or include Wales-only services.’

(3) After subsection (2A) insert—

‘(2B) For the purposes of this section a “Wales-only service” has the same meaning as in section 57 of the Railways Act 2005.’

(4) This section does not have effect in relation to any invitation to tender under section 26(2) of the Railways Act 1993 issued before the day on which this section comes into force.”

This new clause would remove a restriction in section 25 of the Railways Act 1993 on certain public sector bodies bidding to operate a rail franchise that is made up of or includes rail services within Wales.

New clause 10—Wales and Borders rail franchise—

“(1) Executive franchising functions are devolved to the Welsh Government.

(2) The Welsh Government must consult the Secretary of State on details of the devolved franchise, including how cross-border routes are procured and managed.

(3) The Welsh Government must maintain the existing Wales and Borders franchise until it expires in 2018.

(4) The Welsh Government is solely responsible for letting and managing the new Wales and Borders franchise to take effect after the expiry of the current franchise in 2018.”

This new clause allows the Welsh Government to be solely responsible for letting and managing the new Wales and Borders franchise to take effect after the expiry of the current franchise in 2018.

Government amendments 43, 44, 48, 49, 51, 52, 55 and 57.
Alun Cairns: The Government new clauses and amendments deal with a number of issues, in three main categories. First, there are a number of technical drafting changes to ensure that the new devolution settlement functions as it should. Secondly, there are amendments addressing several issues that have arisen during the ongoing discussion of the Bill with the Welsh Government, the Presiding Officer and the Assembly Commission. Thirdly, I am pleased to have tabled a number of amendments that address issues that I committed to return to when they were raised in Committee before the summer recess.

New clause 4 deals with a drafting issue and is a consequence of the devolution of responsibility for local government elections. It makes changes to provisions in the Police Reform and Social Responsibility Act 2011 relating to the timing and franchise for police and crime commissioner elections, which are reserved under the Bill and are currently linked in law to timing and franchise for local government elections. Under the Bill, responsibility for that provision will be devolved to the National Assembly for Wales. The new clause is therefore necessary to avoid certain aspects of PCC elections in Wales being subject to any future changes that the Assembly makes for future local government elections in Wales.

Hon. Members will be aware that the St David’s Day agreement provided that all aspects of the election of PCCs in Wales would remain the responsibility of the UK Government and Parliament. The Bill provides that PCCs, including their elections, are reserved matters, so the Government believe that the new clause is appropriate. It provides that the timing of ordinary elections of PCCs in England and Wales will cease to follow the timings of other ordinary elections in England and Wales. Instead, it provides for them to be held on the first Thursday in May in the year of an election.

The new clause also amends section 52 of the 2011 Act so that the franchise for PCC elections in Wales ceases to correspond directly to that for local elections and instead corresponds to the parliamentary franchise, with the exclusion of overseas electors and the inclusion of peers and EU citizens, who are entitled to vote in local government elections.

Wayne David (Caerphilly) (Lab): My understanding is that the Government are currently considering a report from the Law Society on consolidating and amending electoral law. Given that PCCs are not a devolved matter, would it not be sensible for the Government to hold their fire and amend legislation on that, rather than introducing an amendment at this point?

Alun Cairns: The hon. Gentleman is clearly missing the purpose of what we are trying to do. We are seeking to devolve responsibility for local elections to Wales, but because the franchise for those elections is linked to that for the elections for police and crime commissioners, any change to the franchise for local government elections in Wales will have a consequential effect on that for PCC elections, which are non-devolved. We are therefore seeking to separate the franchises, so that the same people have the right to vote as is currently the case. That will give the Welsh Government the freedom to change the franchise for local government elections as they see fit, should they, for example, wish to change the voting age. It would not be appropriate for such changes to be extended to elections for police and crime commissioners. That is the purpose of the new clause.

Paul Flynn (Newport West) (Lab): The right hon. Gentleman will remember that when elections for police and crime commissioners first took place, only 14% of the electorate voted; one polling station in my constituency achieved an unbeatable world record because no one voted there. When those elections were held on a day that coincided with other elections, 45% of the electorate voted. Is it not best that we and the Assembly ensure that, if possible, elections for police and crime commissioners are held on the same day as other elections?

Alun Cairns: I am grateful to the shadow Secretary of State for his comments. That would of course be the preferred option. It is only appropriate that PCC elections remain reserved and local government elections are devolved; that does not remove the requirement for both Administrations to co-ordinate where possible, but nor do we want to tie the hand of the Assembly should it see fit or need to change the franchise or timings of local government elections. I absolutely concur with his intentions, however.

Kevin Brennan (Cardiff West) (Lab): The Secretary of State is making it clear that the reason for separating the franchises is the Government’s concern that the Assembly could then reduce the voting age for police and crime commissioners from 18 to 16. Does he have any other concerns about the franchise that have made him bring forward this new clause?

Alun Cairns: That will make a matter for the Welsh Government. I am seeking to give them absolute freedom over local elections, within the limitations in the Bill, but it is not right that any changes they bring about—which may well change the franchise, if they believe that to be appropriate—should have consequences for PCC elections, for which the Welsh Government do not have responsibility as they are reserved under the Bill.

The new clause also makes consequential changes to the provisions in the 2011 Act for giving notice of a vacancy in the office of the police and crime commissioner and the provisions on the eligibility of candidates.

Amendment 27 is the second technical amendment in the group. It removes the reference to section 14(1)(f) of the Planning Act 2008 from the definition of “relevant nationally significant infrastructure project” in the planning reservation. That section applies only to England so the reference to it in the Bill is superfluous.

Amendments 33, 49, 52, 55 and 57 are all also technical and address an issue with the numerous references to the legislative competence of the Assembly across the statute book. Since devolution began, Acts of Parliament have often sought to define policies by reference to the devolution boundary involving expressions such as “the legislative competence of the Assembly”.

For example, a power to make subordinate legislation could be conferred on the Secretary of State for provisions that are not within the legislative competence of the Assembly where the provisions are within such competence. In determining for the purposes of UK Acts what is and is not within the Assembly’s competence, proposed new section 108A and proposed schedules 7A and 7B to the
Government of Wales Act 2006 set out the relevant tests. However, provisions such as paragraphs (8) to (11) of schedule 7B include a consent mechanism whereby a provision will be within competence only if the consent of a UK Minister has been given.

Those consent mechanisms exist so that there is an appropriate role for UK Ministers in relation to Assembly legislation that affects reserved authorities—I underline that that means reserved authorities only. However, that requirement for consent is not appropriate when considering UK legislation. For that reason, amendment 33 disapplies any requirement for a UK Minister’s consent when the legislative competence of the Assembly is being interpreted in the context of UK Parliament legislation.

Amendments 49, 52, 55 and 57 ensure that, where Acts of the UK Parliament refer to the Welsh devolution boundary, they do so in accordance with the new reserved powers model as inserted by the Bill. Those are sensible and practical technical changes to ensure that the new reserved powers model of devolution is interpreted and applied consistently in respect of all UK legislation.

The next amendments resulted from ongoing discussions with the Welsh Government, the Assembly’s Presiding Officer and the Assembly Commission.

Nick Thomas-Symonds (Torfaen) (Lab): Before the Secretary of State moves on, I want to ask about the reserved powers model. He has mentioned the consistency of interpretation throughout the Bill, which is to be welcomed, but it would be useful if he could give at the Dispatch Box the commitment that it is the desire of the UK Government not to be going to the Supreme Court so much to argue about reserved powers. Let us have clarity going forward to avoid the number of clashes in the courts that there have been.

Alun Cairns: One key purpose of the Bill is to provide clarity of powers and responsibility. I want anyone who lives and works in Wales and outside to understand who is responsible for what. Therefore, the requirement to go to the Supreme Court to clarify individual points will be needless because of the clarity provided in the Bill.

Nick Smith (Blaenau Gwent) (Lab): To go back to the earlier point about PCC elections, will they be allowed to be held in conjunction with other elections so that turnout is higher, and so that we have better elections as a result?

Alun Cairns: The hon. Gentleman makes an important point. There was significant progress in the turnout of PCC elections, as the hon. Member for Newport West (Paul Flynn) said, when they were on the same day as local elections. That continues to be the desired timing of PCC elections. The purpose of the amendments I mentioned relates to the franchise for those elections. The Welsh Government may want to make changes to the franchise or consider the timing of PCC elections. We would like them to continue to be on the same day as local government elections, as per the last PCC elections.

Mrs Madeleine Moon (Bridgend) (Lab): I want to be clear on the separation of the franchises for PCC elections and for local government elections. Does the Secretary of State have concerns—they have perhaps not been expressed—that 16 or 17-year-olds are seen as fit and able citizens to vote in elections that deal with social services, planning and education, but that they are seen as not capable of voting in elections for police and crime commissioners? Is that what he is trying to suggest, because I would find that very worrying?

Alun Cairns: I suspect the hon. Lady has misunderstood the points I am trying to make. I am seeking to give the Welsh Government freedom in the franchise for local elections, but the current legislation ties the PCC franchise to that of local elections. Should the Welsh Government want to make a change in Wales because of their policies or desires to extend or amend the franchise within the powers conferred in the Bill, it should not be consequential on UK Government policy, and PCC elections are reserved.

It is for the Welsh Government to decide who is eligible to vote—the hon. Lady mentions age—and that is not tied or linked to the policies of the UK Government of the day, whoever they may be. I hope this proposed legislation will be settled for many years and decades to come. Extending or curtailing the franchise, in particular in relation to local elections in Wales, is a matter for the Welsh Government rather than the UK Government. Similarly, any consideration of the franchise for PCC elections is a matter for the UK Government. They are linked under current legislation. The amendments seek to separate that link, so that the responsibility lies with the respective legislature. I hope that clarifies the points raised about a number of amendments. The intention is to give greater freedom to the Welsh Government, so that if they want to change the franchise they are not restricted by the franchise that already exists for PCC elections from this place.

Amendments 14 to 18, 29 to 31, 44, 58 and 51 make a number of technical changes to arrangements in clause 12 and related schedules relating to financial control, accounts and audit. Since introducing the Bill, the Government have continued to discuss its financial control provisions with the Welsh Government and the Assembly commission. The amendments arise from those discussions. Amendment 16 inserts provision in section 124 of the Government of Wales Act 2006, equivalent to the provisions of the Scotland Act 1998, so that a sum paid out of the Welsh consolidated fund may not be applied for any purpose other than that for which it was charged or paid out.

Amendment 29 removes the prohibition on an Assembly Act, amending section 145 or 145A of the Government of Wales Act 1998, which makes provisions for examinations and studies by the Auditor General for Wales. Amendment 18 removes from the Comptroller and Auditor General reserve powers to carry out examinations regarding payments into and out of the Welsh consolidated fund, and the power to carry out value-for-money studies in relation to Wales public authorities. All amendments in this grouping are consequential on amendment 18, to remove the Comptroller and Auditor General’s powers over specific Welsh public authorities. With these amendments, the Auditor General for Wales will be the sole auditor of Welsh funds and Welsh public bodies. The Government have confirmed with the Comptroller and Auditor General that he is content with the removal of these powers, which have never been exercised.

Amendment 28 similarly results from discussions with the Welsh Government and removes the reservation for the Children’s Commissioner, whose post was established...
through the Children Act 2004. The UK Children's Commissioner will be a reserved authority subject to the restrictions in paragraphs 8 and 10 of new schedule 7B. The effect of paragraphs 8 and 10 is that a provision of an Assembly Act cannot change the UK Children's Commissioner's functions unless the Secretary of State has consented. Removing the reservation will ensure that there are no barriers to the Assembly amending the functions or constitution of the Children's Commissioner, provided the consent of the UK Government has been obtained.

Amendment 32 removes a needless provision from the Bill, paragraph 9(5) of new schedule 7B to the Government of Wales Act 2006. The amendment is being tabled in the interests of brevity and to avoid confusion, and at the suggestion of the Welsh Government. I am grateful to them for raising this point.

Amendments 34 to 37 remove from new schedule 3A several functions that are currently listed as concurrent, but have in fact either been repealed or transferred entirely to Welsh Ministers. Amendment 38 inserts into new schedule 3A concurrent functions provided for in clause 7 on the UK digital service in relation to Assembly elections and local government elections in Wales. The need to make the changes to new schedule 3A has been agreed as part of the constructive discussions on the Bill that my officials and I are having with the Welsh Government. The amendments are relatively minor and technical, but they are necessary to ensure the Bill delivers a clear and coherent devolution settlement for Wales.

5.45 pm

Amendments 39 to 42 add seven further bodies to the list of “Wales public authorities” that are provided for in schedule 4. Their effect is to confirm the “devolved” nature of these bodies. I have tabled these amendments in response to representations made by the Assembly’s presiding officer and the Welsh Government. These bodies have functions that are exercisable only in relation to Wales and that wholly or mainly do not relate to reserved matters. As such, they meet the tests for Wales and that wholly or mainly do not relate to reserved matters. In response, I said that it was not the intention to prevent the Assembly from legislating to make devolved authorities such as local authorities as prosecutors for devolved offences.

In response, I said that it was not the intention to prevent the Assembly from legislating to make devolved bodies the prosecuting authority for particular devolved offences and that the current reservation achieved that. Nevertheless, I understood the hon. Members’ concerns and agreed to consider the reservation further. Having done so, I have a number of concerns about narrowing or broadening the reservation.

First, replacing the current reference to “prosecutors” with a narrow reference only to “the Crown Prosecution Service” would not cover other reserved prosecuting authorities, such as the Serious Fraud Office. Secondly, it is likely that expanding the list to include a wider range of prosecutorial authorities would go further than we believe is necessary. Many of the authorities have functions beyond prosecution which could make it clear that the Assembly would be able to specify devolved authorities such as local authorities as prosecutors for devolved offences.

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However, I understand the need for clarification and reassurance. Officials have therefore worked closely with key stakeholders, including the Attorney General’s Office and the Whitehall Prosecutors’ Group, to develop an amendment that clarifies the Assembly’s powers while ensuring that the prosecutorial framework remains a reserved matter.

Amendment 26 retains the existing reservation’s reference to “prosecutors”, but makes it clear that that does not prevent the Assembly from making provision about responsibility for the prosecution of a devolved offence. That could include specifying who would have prosecuting authority for a devolved offence, or making provision for prosecutions of devolved offences to be subject to consent. However, if the Assembly wished to confer functions on a reserved authority in this regard, that would engage the consent mechanisms in paragraphs 8 and/or 10 of schedule 7B. I believe that the amendment achieves what the hon. Members for Arfon, for Dwyfor Meirionnydd and for Carmarthen East and Dinefwr are seeking in the most efficient way possible, without having a negative impact on the intention to legislate to support the Assembly.

I trust that I have persuaded Members on both sides of the House of the need for our amendments. Let me now deal with the Opposition new clauses and amendments. New clause 2, amendments (a) and (b) and amendments 1 and 63 to 65, tabled by the hon. Members for Newport West (Paul Flynn) and for Hyndburn (Graham Jones), would devolve legislative and executive competence to the Assembly to regulate the number of high-stakes gaming machines authorised by new betting-premises licences in Wales. They would also devolve legislative competence for betting, gaming and lotteries in Wales to the Assembly. Betting, gaming and lotteries are not devolved to the Assembly, and will be reserved subjects under the Bill. The Silk commission made no recommendations on their devolution, and the subject was therefore not considered under the St David’s Day process, the thread of thinking that resulted from the Silk commission.

Graham Jones (Hyndburn) (Lab): The Minister mentioned the amendments that I tabled. Has he had representations from the Welsh Assembly and the Welsh Government? Has he followed the debate in the Welsh Assembly, and listened to Welsh Ministers’ comments? Has he factored that into the equation? There certainly seems to be some interest in some devolution in Wales.

Alun Cairns: I have had representations from the Welsh Government, and we are happy to continue a dialogue in order to refine the reservations. However, amendments 63 to 65 would extend extremely broad powers in this regard. We do not intend to accept them, because we do not believe that devolving the wider competence to which they refer would be the right course. They were not raised by the Silk commission or in the St David’s Day agreement. Nevertheless, in our usual pragmatic style, we are naturally happy to continue to discuss a range of issues. Indeed, the Bill has continually refined itself through its progress, from the Silk commission and the St David’s Day agreement to the draft Bill, and thence to the stage that we have reached today.

New clause 3, tabled by the hon. Members for Newport West, for Arfon, for Dwyfor Meirionnydd and for Carmarthen East and Dinefwr, and new clause 10 and amendment 67, tabled only by the Plaid Cymru Members, seek to probe the progress that the Government have made in implementing our commitment to devolve executive rail franchising functions. New clause 3 also seeks to press the Government to make a decision on whether to enable Welsh Ministers to invite public sector operators to bid for rail franchises for which they are the responsible franchising authority.

Christina Rees (Neath) (Lab/Co-op): Does the Secretary of State agree that changes in railway powers are needed to put Wales where it should be, on a par with Scotland?

Alun Cairns: Negotiations are ongoing on the devolution of the franchise and how it can be achieved. If we accepted the new clauses and the amendment, that would set the whole franchise process back considerably. It has already been advertised, and we are anxious to press ahead as possible with the aim of reaching an agreement with the Welsh Government to fulfil the franchise obligations.

Albert Owen (Ynys Môn) (Lab): The franchise would not change the Wales boundaries if we had a different model. We have a model in Wales. Dwr Cymru Welsh Water, which is not for dividend, and which the Secretary of State fully supports. What is the difference between having our water run by a not-for-profit organisation, and having our railways run in that way?

Alun Cairns: A host of considerations, debates and discussions are taking place between the Wales Office, the Welsh Government and the Department for Transport, and we are conducting detailed negotiations over the franchise arrangements. We need to find suitable arrangements that will protect Welsh passengers and the accountability and responsibility of the Welsh Government, but let us not forget that that extends across the border. The Manchester-to-Cardiff line, for example, enters significant elements of England. The fact that a significant number of passengers will be domiciled or residing in English constituencies, and their right to seek redress through the parliamentary process, are details that we need to continue to discuss.

We are in a positive position with the Welsh Government, and I am anxious to continue on that basis. Accepting the new clauses and the amendment could undermine that positivity, and the franchising process. We intend to use other powers—under the Government of Wales Act 2006—to devolve franchising functions, in agreement with the Welsh Government. That would achieve many of the objectives that the new clauses and the amendment seek to achieve.

Nia Griffith (Llanelli) (Lab): Will the Secretary of State explain clearly to us what the difference is between a German state-owned railway running a railway in Wales and a public body in England, or a Welsh Government-supported public body, doing so over the border?

Alun Cairns: The hon. Lady will be fully aware that the rail franchise is a Wales and borders franchise, and that a significant number of passengers cross the border. The line itself crosses the border. It may well be the will of the Welsh Government to set up a state-run rail operation, but that clearly has implications for reserved or English matters, and the United Kingdom Government...
[Alun Cairns]

will want to protect both Wales and England in the process. Positive discussions are taking place about how we can best secure an efficient, effective, operating railway in Wales. The notices from the Official Journal of the European Union have already been issued, and, all being well, the franchise will take effect in April 2018.

Ian C. Lucas (Wrexham) (Lab): Is the Secretary of State really saying that it is OK for a German state-run organisation to run the railways in Wales, but not OK for a UK state-run organisation to do so?

Alun Cairns: I think that the hon. Gentleman is missing the point. If he has read the Silk report, he will recognise the complexities that even Silk has highlighted. In relation to those complexities, we are negotiating with the Welsh Government in a positive, constructive environment. The new clause and the amendment do not meet the technical requirements, because their provisions would effectively stop at the administrative border. As the hon. Gentleman knows, many of the trains running in and out of his constituency come to and from England. Accepting the new clauses and the amendment would not meet the criteria that he seeks to meet.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Will the Secretary of State give way?

Alun Cairns: I will give way briefly, but I want to make some progress after that.

Stephen Doughty: The Secretary of State still has not answered the question. Does he not believe that, at the very least, there should be a level playing field? It seems that while a German company can run rail services in Wales, a United Kingdom company—let alone a co-operative or a partnership—would be prohibited from running the Welsh rail franchise.

Alun Cairns: The OJEU advert has been made for the franchise. Good progress is being made and we wish to continue in the spirit in which the Welsh Government have made that advert—in the delicate and sensitive negotiations taking place, in the positive, constructive environment that already exists.

6 pm

Nick Smith: Going back to the issue of financial controls and audits, I welcome the examinations in Wales of the economy, efficiency and effectiveness of sums paid out by the Welsh Consolidated Fund in Wales. That is a good thing. However, can the Minister confirm who will be responsible for audit studies and scrutiny of future large-scale projects where funds have been sourced from both Cardiff and Whitehall? I am thinking in particular of large-scale infrastructure projects that have got both Cardiff and Whitehall money.

Alun Cairns: The hon. Gentleman raises an important point. The adjustments to the auditing arrangements demonstrate the maturity of the organisation. Where the money from the Welsh Consolidated Fund is being used and is being spent, it is absolutely right that the Auditor General for Wales acts and scrutinises that. Where money is being used from UK departmental funds and the Treasury, it is right for the Comptroller and Auditor General to scrutinise and develop that. I will happily look at further detail in the issues the hon. Gentleman raises about the potential of joint projects, and I will come back to him in due course. But these adjustments have been made at the request of the Welsh Government, supported by the Auditor General for Wales and accepted by the Comptroller and Auditor General. I hope the satisfaction of those bodies will satisfy the concerns in the relevant question that has been raised.

So we do not agree with the proposal, but, as I have mentioned, positive progress has been made between the UK Government and the Welsh Government on the franchising arrangements. Outstanding issues remain, and the Welsh Government and UK Government have been working over recent months to get to a position that works for all passengers and both Governments.

In amendment 2 the hon. Member for Newport West proposes devolving powers over the community infrastructure levy. I am pleased to see that uptake of the levy in Wales has made some progress with three charging authorities now collecting the levy—Caerphilly, Merthyr Tydfil and Rhondda Cynon Taff. It is a key objective of national planning policy in both England and Wales that local planning authorities plan positively for infrastructure needs. The levy is an important mechanism for securing funding for infrastructure. This amendment ties with the calls of the Welsh Government, but I can also see that in many ways it makes sense to have a unified development levy system across England and Wales. Complexities across borders can hinder investment. I am not therefore minded to agree to the amendment. Much of the argument behind the calls for it has been that the policy does not work for smaller authorities, of which there are many in Wales, but I would point out that Merthyr Tydfil and Caerphilly are two of the smallest authorities in Wales and they have made effective use of the community infrastructure levy.

Amendment 60 seeks to establish Wales as a separate legal jurisdiction, an issue that was debated extensively as part of the pre-legislative scrutiny of this Bill and in Committee. In its second report, published in March 2014, the Silk commission recommended that there “should be further administrative devolution in the court system”.

Nick Thomas-Symonds: On the issue of the separate legal jurisdiction, while it is obviously sensible with an emerging body of distinct Welsh law to monitor and review that going forward, does the Secretary of State agree that what we must be careful of with a separate legal jurisdiction now is imposing separate legal jurisdiction service requirements and other things that would lead to Offa’s Dyke becoming a barrier to access to justice?

Alun Cairns: The hon. Gentleman has made an important point and contributed in Committee to that effect, which considerably influenced a number of Members who had raised questions and concerns as the issue was debated. The hon. Gentleman’s expertise in this area should be well-heeded by those who want to see Wales flourish with a distinctive body of Welsh law, but who also recognise that the joint jurisdiction has worked and served well and effectively, and sends a clear message to potential investors and operators in Wales over the clarity and simplicity that is provided.
Many of the recommendations relating to administrative devolution in fact reflect the current position in Wales: the senior courts already sit in Wales, the administration of Welsh courts is overseen by HMCTS Wales, and court sittings are co-ordinated locally. The broader question of the case for devolving legislative responsibility was one of the key issues examined in the cross-party discussions under the St David’s Day process. Members will be aware that, as set out in the St David’s Day agreement, there is no political consensus to devolve justice. My party’s 2015 election manifesto made it clear that we would continue to reserve justice and policing.

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.

Mr Mark Williams (Ceredigion) (LD): The right hon. Gentleman alluded to the Silk report, but Silk talks about the need to review the system. I appreciate the standpoint of the right hon. Gentleman and his party, but this is an evolving picture, and does that not necessitate the recommendation of the Wales Governance Centre’s recent report that we should at least have a commission to look at these matters over a period of time?

Alun Cairns: I am grateful to the hon. Gentleman for the way in which he has made his intervention, but I would still underline the stability of the existing system and the certainty it provides. The title of the St David’s Day agreement was “Powers for a purpose” and I am still seeking to understand what additional purpose would be provided to anyone living or working Wales should there be a separate jurisdiction.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Secretary of State pointed to the administration of the courts in Wales and HMCTS, which has of course recently decimated court service provision across many parts of Wales, including the magistrates court in Carmarthen. When he talks about the benefits of a single jurisdiction, is that what he has in mind?

Alun Cairns: The consequence, of course, would be to spend more money on public sector administration such as that. That would preclude the new innovations the Ministry of Justice is seeking to introduce, and new innovations clearly provide new opportunities. There is the opportunity for new services to be brought closer to communities, should we look at how we can enhance and make the system more efficient.

Ian C. Lucas: Will the right hon. Gentleman give way?

Alun Cairns: I will come back to the hon. Member, but I want to finish my point.

I would remind Members that the whole debate around a separate legal jurisdiction came as a consequence of the necessity test in the draft Bill. The necessity test has been removed and the consequence could be that that call and demand for a separate jurisdiction should therefore fall. However, it is almost as though it has taken on a life of its own, but I still question the purpose, because I am still trying to find out what difference a separate legal jurisdiction would make for anyone living or working in Wales, other than uncertainty for investors when the reputation of the England and Wales legal system is recognised right around the world.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): But surely the purpose of a distinct legal jurisdiction would be the quality of justice provided in Wales, and at the end of the day this is the only legislature in the world which does not have a jurisdiction. This situation is crying out to be resolved, and if not now, when?

Alun Cairns: I will come back to the hon. Member, but this is an evolving picture, and does that not necessitate the recommendation of the Wales Governance Centre’s recent report that we should at least have a commission to look at these matters over a period of time?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I know the Secretary of State has a lot to tell us, but I am sure he is aware that quite a lot of other Members would also like to speak. Will he bear that in mind?

Kevin Brennan: On a point of order, Mr Deputy Speaker. If we are under a severe time constraint, I wonder whether you could tell us how long we have for this debate?

Mr Deputy Speaker: The debate has to finish by 7.57 pm. I call the Secretary of State.

Alun Cairns: Thank you, Mr Deputy Speaker. I will of course make swift progress, as you have requested.

Amendment 61 seeks to devolve legislative competence to the Assembly over Welsh language broadcasting and other Welsh language media. The Welsh language is a critical part of our cultural heritage in Wales, and the Government’s continued commitment to Welsh language broadcasting is a key element of preserving the language. It is a source of great pride for me that S4C was established by a Conservative Government over 30 years ago, and I note the welcome from a number of stakeholders for the statements made by the BBC on the funding of the channel. This demonstrates our commitment to the Welsh language. The proposal is not recognised by stakeholders and operators in this field, and neither was it called for by the Silk commission or the St David’s day agreement.

Amendment 66 would remove the requirement for the Assembly to seek the consent of UK Government Ministers for an Act of the Assembly that would modify the functions of a reserved authority if such an Act related to a Welsh language function. It is obviously right that the Welsh Government should have the freedom to act in the interest of the Welsh language, but it is also right that when those policies or obligations extend to reserved matters, a UK Government Minister should also approve them. This means that the UK Government have the responsibility to see the Welsh language protected in reserved areas too. That is not the sole preserve of Members of the Welsh Assembly; we all have a responsibility towards the Welsh language.

Amendments 68 and 69 seek to provide that future Assembly legislation altering the specification or number of constituencies or regions, or the number of Members they return, would be subject to agreement by a majority of Assembly Members rather than a super-majority. I think the hon. Member for Newport West is being rather mischievous in tabling these proposals, particularly in the light of the news—which Members heard about...
today and which will be made public tomorrow—about the potential changes to constituencies that send Members to this place.

The Smith commission recommended a two-thirds majority for Scottish Parliament legislation seeking to change the franchise, the electoral system or the number of constituency or regional Members. This was provided for in the Scotland Act 2016 and the UK Government committed in the St David’s Day agreement to implement the same arrangements for Wales. I believe that I have explained clearly why I cannot support the Opposition amendments and, on that basis, I urge Opposition Members to withdraw them in due course.

Paul Flynn: This is one of those occasions to which we return every four or five years, and I am afraid that we are doomed to do so for the foreseeable future, because this is not the final word. We are all grateful for the amount of consensus on the Bill. Its main features are progressive and they will introduce stability and a new dignity to the Assembly, which is winning more respect for its position virtually every time we debate these Bills. There is general agreement on these measures, and I thank the Government for being pragmatic and generous enough to accept a reasonable number of our amendments. I also welcome the Secretary of State’s decision to appoint a young, thrusting MP as his new Parliamentary Private Secretary. It is nice to see that the spirit of giving youth a chance on our Front Bench has been extended to the hon. Member for Montgomeryshire (Glyn Davies) as well.

There is, however, a degree of timidity in the Bill. The Secretary of State’s responses to several of my hon. Friends’ points about Glas Cymru showed his failure to recognise the brilliant and unique initiative that was taken first at a meeting in this building and then honed elsewhere. It sounded too good to be true at the time, but it has recently celebrated its 15th anniversary. It has been extended to the hon. Member for Montgomeryshire (Glyn Davies) as well.

Kevin Brennan: My hon. Friend mentions Glas Cymru. Is it not the case that bringing a natural monopoly such as water or rail into a system of beneficent collective ownership—allowing it to borrow very cheaply against the guaranteed income streams to be found in public services of that kind—is the ideal way to run such a public service? Does he also agree that, in comparison, privatisation is highly inefficient?

Paul Flynn: I entirely agree with my hon. Friend. We hope to convince the Government to acknowledge the great value of Glas Cymru and to repeat that success with the railways.

Hywel Williams (Arfon) (PC): Another significant aspect of Glas Cymru is that it has been able to reduce its gearing and is now paying off its debts, whereas the debts of water companies elsewhere are geared to between 85% and 95% of their value. Glas Cymru’s debt is now down to about 65%. That is another dividend for the Welsh people.

Paul Flynn: The hon. Gentleman makes a valuable point. This is a huge success story. Why are we not shouting this from the rooftops and trying to emulate it? We could do that in the very similar situation of the rail franchise. Members might recall the distinguished Member of Parliament, Robert Adley, who produced what was, to my mind, one of the best Select Committee reports in my time on railway privatisation. It was published in 1993 on a Wednesday but, sadly, he died on the preceding Sunday. He forecast all the weaknesses of the privatised system. That report, from a Conservative-dominated Committee, was approved unanimously by the Committee but not accepted by the then Government.

Ian C. Lucas: May I also point out the superb job that Glas Cymru has done on renewable energy, which I know my hon. Friend takes a great interest in? In Wrexham, it is developing anaerobic digestion as well as solar power at its Five Fords site. This not-for-profit company is creating a positive role for renewable energy in our community.

Paul Flynn: I warmly welcome my hon. Friend’s point. Again, the Government are blind to the prospects for Wales in the area of renewable energy, particularly in hydro. We can rely on many factors, including the tide and the rain. Indeed, 2,200 MV of electricity are produced in Wales via hydro.

Stephen Doughty: I agree with many of the points that have been made, including those of my hon. Friend. I spent this weekend at the Co-operative party conference in Cardiff, where we discussed the many benefits of co-operative, mutual and non-profit solutions for running services such as these. Does he agree that in addition to cost benefits, the involvement of employees and users in the design of the services can also be beneficial?

Paul Flynn: The greatest part of the movement that my party has built on over the years is the co-operative movement and its great pioneers. It is a shame that we have not developed it more as a principle. Here, however, we have the opportunity to advance that principle in relation to the reality of the railways.

The purpose of the new clause is to remove the inappropriate restrictions on the exercise of Welsh Ministers’ powers over the rail franchises when they are devolved next year. Let the Welsh Assembly be free to repeat the success of Glas Cymru. It has been agreed between the two Governments that Executive powers over Wales-only services will be transferred to Welsh Ministers. Once that has been achieved, it is important that they are able to operate the franchise in line with their policy priorities.

As things stand under the provisions of the Railways Act 1993, Welsh Ministers would not be able to open the franchise to public sector operators. Those restrictions no longer apply in Scotland, as was pointed out by my hon. Friend the Member for Neath (Christina Rees),
and there is no case for them to apply in Wales. If the power is devolved, there should be no policy restrictions on its exercise. It must be open to Welsh Ministers to maximise the effectiveness and efficiency of public transport in Wales, including ensuring that alternative models are fully considered and that new opportunities are seized. For example, if the Welsh Government want to open the Wales and Borders franchise to domestic public sector operators, that should be a matter for them.

Jonathan Edwards: I congratulate the hon. Gentleman on new clause 3—it is strong Plaid Cymru policy—but it is based on the assumption that the franchise will be devolved. There have been warm words in the past, but it is unclear from the Secretary of State’s comments that that would actually be the case—hence my new clause 10. Does the hon. Gentleman know something that I do not? Will the powers definitely be devolved?

Paul Flynn: That is for the Government to say, but my understanding is that they will be devolved and that is the basis of new clause 3. Such a change took place in Scotland, where it was recommended by the Smith commission. It was agreed by the UK Government and legislated for in section 57 of the Scotland Act 2016, so if we look forward with optimism, the change will come about. The new clause would make equivalent provision for Wales. In short, there is no reason why the Railways Act’s prohibition on public sector operators should apply to Welsh Ministers.

Looking at the reality of what is happening in Wales, over the last 12 years for which financial information is available, Arriva Trains Wales accumulated profits after taxation of £149 million and paid out dividends of £134 million. An average of 91.7% of profits were paid out in dividends each year, with over 100% being paid out in three of those years. Dividends accounted for a total of 11.9% of passenger income over the 12-year period, meaning that a not-for-dividend alternative to the current fiasco could result in a similar decrease in fares.

Furthermore, public funding through franchise payments from the Welsh Assembly Government far outstripped the passenger income of Arriva Trains Wales, amounting to 160% of the passenger income figure. Alternatively, it could be said that 8% of the huge taxpayer subsidy is paid out as dividends. That makes no sense. We are subsidising dividends and not lowering fares. In summary, a saving of 8% to the taxpayer or a fare reduction of almost 12% could be delivered by adopting a public ownership or not-for-dividend model. I hope that the Government will seize hold of that bold venture.

The separation of jurisdictions has been a matter of great discussion and I will not spend too much time on it as I think we are under time pressure. We have been grateful for the authoritative comments and deliberations. We are currently disinclined to support amendment 60, although we are sympathetic towards it. We were told that the Lord Chancellor and Welsh Ministers should keep the justice system under review with input from the UK Government’s proposed official working group, so we propose the appointment of an expert panel to advise them on practical legal issues. This should be a transparent and sustained road to a solution and is also the desire of the Welsh Government. We would like to maintain the suggestions made by my hon. Friend the Member for Llanelli (Nia Griffith) in the Bill’s earlier stages, but there is so much going on at the moment with Brexit and so on that it would not be sensible to make such changes. It would be rather like trying to change a car’s pistons while the engine is running, so we will not support the amendment but we understand the need for change.

Hywel Williams: I am genuinely curious. Is the position just outlined by the hon. Gentleman also the position of the Government in Cardiff?

Paul Flynn: Yes. We are working in close harmony with the Welsh Government on most of the recommendations. There is a sensible consensus between the Welsh Government, the UK Government and most parties. That is the only way forward if we are to build trust in devolution.

Nick Thomas-Symonds: The point is that since most of the necessity tests have been removed from the Bill the issue of the separate legal jurisdiction has become less complicated. The position outlined by my hon. Friend about looking at this emerging body of Welsh law and finding a pragmatic solution is entirely sensible and appropriate.

Paul Flynn: I am grateful to my hon. Friend—we acknowledge his expertise in this matter. We will be looking for practical solutions. We hope that this subject comes up before the next Bill, but it guarantees the eternal nature of such Bills.

The Secretary of State described amendments 68 and 69 as mischievous, but I assure him that they are constructive and topical with Members having today gone through the trauma of the proposed constituency boundary changes. The proposals have brought anguish or joy to those of us who are looking forward to long careers in this House. As a late developer in politics and in life, I felt some anxiety that my career, which will reach its halfway point next year, could be cut short prematurely by the boundary changes, so I took some special interest in the matter.

The amendments propose changes to the methods used for deciding the number of Welsh Assembly Members. We have a crisis of democracy in this country. The mother of democracy has been degraded in many ways, a charge which comes from both sides of the House. People can buy their seats in the House of Lords through the acceptable practice of making donations to one of the three main parties. The Lords has 200 superfluous Members. Who said that? It was the new Speaker in the House of Lords. There is a case for immediate reform of that unelected place.

Problems also arise from other parts of our democracy. The hon. Member for Broxbourne (Mr Walker), Chairman of the Procedure Committee, made a powerful point last Thursday when he said that the planned move to cut the number of elected Members of Parliament was unjustified.

“while the Lords continues to gorge itself on new arrivals.”—[Official Report, 8 September 2016; Vol. 614, c. 502.]

He is absolutely right. We need to change our democracy in many ways.

Nick Thomas-Symonds: My hon. Friend is rightly highlighting that there the debate should be broader than just what is mentioned in the amendments. Does he
agree that there is an enormous democratic deficit in pushing ahead with the constituency boundary changes when nearly 2 million people newly on the electoral register will not be counted?

Paul Flynn: It is the virtual disfranchisement of 2 million, so it is wrong on that basis. The timing is wrong.

Analysis of the boundary changes by Lord Hayward, a former Member of this House and Conservative peer, suggests that Labour would lose 13% of its MPs and that the Conservatives would lose 5%. Looking at the wreckage of our democratic system, which piece is being reformed?

6.30 pm

Christina Rees: Does my hon. Friend agree that there is also a problem because we will be losing our four MEPs soon?

Paul Flynn: My hon. Friend is absolutely right to say that there will be a gap there, and that was a change we did not know about. The Welsh Assembly, and partly this House, decided to have a progressive form of governing in Wales, where we recognise elements of proportional representation, although we do not welcome some of its results. It is right, however, that parties that gain 13% of the vote get 13% of the membership. We have an advanced democracy, as was voted for when the Labour Government set up the Welsh Assembly—the disgrace is in the Lords.

We know what would happen as a result of devolving to the Welsh Assembly the power to increase the number of Members. It would be a brave Assembly that did that in isolation, because adding more politicians is not the most popular thing. The only way this can be presented to the public is as part of a package deal; if the number of MPs is to go down, there would be a case for increasing the number of Assembly Members. Similarly, if the number of MEPs has decreased, a case that would be financially acceptable could be made. What is not acceptable is what the Government are doing now with a piecemeal reform of the only part of the democratic system that could be reformed to their advantage. We need an overall reform, cancelling the planned boundary changes and with the Government getting together with all parties to have a constitutional convention to clear up the nonsense of what is happening in the Lords and the disgrace of buying peerages. Even papers such as the Daily Mail condemned the decision of the last Prime Minister in his resignation honours—

Stephen Doughty: Will my hon. Friend give way?

Paul Flynn indicated assent.

Mr Deputy Speaker (Mr Lindsay Hoyle): It may seem pretty good to some hon. Members, but we are drifting a little from where we should be. I know we are encompassing everything we need to, but I do not want to open up a full-blown debate on the House of Lords.

Stephen Doughty: I agree with many of the points my hon. Friend has made about the democratic deficit we could be heading towards. He said that the boundary review is to the Government’s advantage, and clearly that is their intention. But it is clearly not to the liking of all those on the Government Benches, as we saw from some of the points of order and comments coming from Conservative Back Benchers last week. Does he agree that the Government might well be stoking up trouble on their own side with this democratic atrocity?

Paul Flynn: I am sure they will and they should concern themselves with that. Another Member made the point last week that by reducing the number of Members and not reducing the number of Ministers, the Government were strengthening the power of the Executive, at the expense of Back Benchers. This is a mess and it needs an overall root-and-branch reform.

Kevin Brennan: I do not like saying this, but I profoundly disagree with my hon. Friend on amendment 68, because it would be wrong to take away the requirement for a two-thirds vote among Assembly Members in order to change the numbers in the Assembly, but it should be a requirement to have two thirds of the people in this place vote to change the number of Members of Parliament. There is not even a requirement for any vote at all to change the number of Members in the House of Lords, because the Prime Minister simply appoints them.

Paul Flynn: My hon. Friend makes his point effectively, and I would like to pursue it if we were to go that way. My amendment was a device to make sure that we could discuss this issue, as it is a matter of major importance. As we know, the provision for a super-majority in the Assembly is not necessary, because it is almost impossible under the system we have for any party to get an overall majority; in effect, any constitutional amendment taking place in the Assembly requires the votes of more than one party. I am not going to press this amendment to a vote, but I would like the Government to react to it and realise that what they are planning in the boundary changes is a cheat, which they are carrying out for their own political advantages, and not for the benefit of democracy. We have a crisis in democracy and we are not going to solve it in that way.

I hope that my hon. Friends the Members for Hyndburn (Graham Jones) and for Swansea East (Carolyn Harris) will catch your eye to speak on the amendment about betting, gaming and lotteries. Mr Deputy Speaker. I warmly support that proposal, having had the experience of going on a visit where I saw one of these fixed odds betting terminals in my constituency. The people there kindly switched it off and let me use it without spending my money, but had I been spending my money, it would have cost me about £100 in the half hour I was there; this system is very addictive.

We are generally in favour of the amendments that we have from government, most of which were sensible and had been requested by the Welsh Government or Opposition Members. I hope, therefore, that we can continue in this constructive, co-operative and consensual spirit, in order to make sure that Wales is better served by this Bill.

Liz Saville Roberts: I rise to support amendment 60, which stands in my name and those of my Plaid Cymru colleagues, and relates to the creation of a distinct legal
jurisdiction. When the Wales Bill was re-announced in the Queen's Speech, the Government claimed it would offer a "strong" and "lasting constitutional settlement" for Wales. The Minister has keenly told us that this settlement will last a "generation", so it is a long-term devolution road map. But the Government's obsessive desire to retain a 16th-century relic of a legal system has increasingly called into question the idea that this devolution settlement will last any longer than its predecessor. The former Counsel General for Wales, Theodore Huckle, QC, put it bluntly, saying:

"across the common law world the creation of new legislatures has been coupled with the formation of a distinct legal jurisdiction. But not in Wales."

Furthermore, the Welsh Governance Centre's "Justice in Wales" report, released this morning, stated that

"the administration of justice will require continuing reform to accommodate increasing divergence between the laws and policies of England and Wales."

The Government's proposed piecemeal and fragmented approach to this issue will only cause greater confusion, weaken the ability of the Welsh legal sector to operate effectively and create the need for constant "tweaking" by the Government, as we have been discussing today. Surely the Minister can see it is only logical that if he truly wants a lasting devolution settlement for the people of Wales, as I do, the Bill must recognise the need for a distinct Welsh legal jurisdiction.

Despite the logic in a move to put Wales on the same footing as Scotland and Northern Ireland by giving us our own separate legal jurisdiction, we recognise the Government's concerns and want to work constructively with them.

Nick Thomas-Symonds: In the hon. Lady's last few sentences, she went from talking about a distinct legal jurisdiction to discussing a separate one. On a distinct legal jurisdiction, I certainly agree that there will be an emerging body of Welsh law. But if a separate legal jurisdiction were to be introduced, how would that not increase barriers to access to justice? I can remember those as a barrister—there may have to be that additional requirement of serving cross-border? Surely she would not want her constituents to have to face that.

For this reason we are compromising and putting forward our amendment today calling for a distinct, as opposed to a separate, legal jurisdiction. A raft of leading constitutional and legal experts has outlined the cold hard facts about why a distinct Welsh legal jurisdiction needs to be created.

Nick Thomas-Symonds: I am grateful to the hon. Lady for her generosity in giving way again. In answer to the question, what happened is that the Bill has changed dramatically. The necessity test was all but taken out. That is what brought about the change. She is talking now about a distinct legal jurisdiction. Can she explain to us precisely what she means by that, and how exactly it would differ from the separate legal jurisdiction that I thought Plaid Cymru was advancing?

Liz Saville Roberts: I hope the hon. Gentleman will forgive me; I thought I had explained that previously.

Our proposal will require no extra court construction. We have the structures for justice in place already. What is proposed is a dividing of those court structures, as the amendments explain. This was recommended by a number of experts in these areas, including the Silk Commission and the vast majority of witnesses to the Welsh Affairs Committee. I must admit that on the Committee we almost felt that we were seeking witnesses to give an alternative view. The vast majority spoke in favour of a distinct or separate jurisdiction.

Mr Mark Williams: I agree with the hon. Lady's last comment, having served alongside her on the Welsh Affairs Committee. She mentions Paul Silk, who spoke about the need to review this matter within 10 years. The "Justice in Wales" report from the Wales Governance Centre referred to a standing commission. I think that was the view of the First Minister as well, when he announced the Bill that the hon. Lady mentioned. Given that there is an evolving picture, surely we should be monitoring it with a view to changing it in the near future? I may well share the final destination that she and her hon. Friends seek to reach, but there is a case for carrying people forward on the basis of experience over the next few years.

Liz Saville Roberts: I agree that we are seeing a gradual momentum in favour of the change. As I said earlier, if not now, when? We in Plaid Cymru feel that objections, rather than any real argument, are being cast up in front of us. We know that we are travelling on a trajectory. When will we reach the end point, without hindrances being thrown in our way?

Other advocates of our approach include Sir Roderick Evans, QC, the former High Court judge and pro-chancellor of Swansea University, barrister Rhodri Williams, QC, and solicitor Michael Imperato—greatly respected lawyers who felt so strongly about the issue that they created the Justice for Wales group. Further supporters were the constitutional experts at the Wales Governance Centre and the UCL constitution unit. Even the Lord Chief Justice of England and Wales, Lord Thomas of Cwmgiedd, whom I quoted in the last debate on the Bill, has spoken in favour of a distinct legal jurisdiction.

I know that many people in the Minister's party have spent the first half of this year telling us not to listen to experts, but I implore him to do so in this instance.
He should drop the political and ideological obsession with a unified Welsh and English legal jurisdiction and take heed of the clear and logical advice of so many experts on this issue. With a new constitutional settlement, an increasingly divergent statute book, and Brexit set to change the shape of the UK, it is time for the Government to recognise the facts and the need for a distinct legal jurisdiction in Wales.

Chris Davies (Brecon and Radnorshire) (Con): I, too, sat through many Welsh Affairs Committee inquiries and lots of evidence from academics and legal experts on this matter. Yes, they all wanted a separate or a distinct legal jurisdiction, but the hon. Lady has not explained how it would work and, more importantly, how it would benefit the people of Wales to have a separate legal system.

6.45 pm

Liz Saville Roberts: If the hon. Gentleman will forgive me, the amendment goes into detail, even in relation to the court structures and the professional structures that would be required. I argue strongly that we are travelling on this trajectory, and what is important is the quality of justice and the quality of decisions made in Wales in relation to legislation made in Wales.

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): My hon. Friend the Member for Brecon and Radnorshire (Chris Davies) asked a pertinent question: what are the advantages to Wales? The St David’s Day agreement was about powers for a purpose. Has the hon. Lady read the fantastic article by Gwion Lewis in this month’s issue of Barn, in which he highlights the way in which the Supreme Court met in Cardiff and made a decision in relation to Welsh language education in Denbighshire, a decision which I am sure the hon. Lady would welcome? What would a distinct legal jurisdiction have decided differently in that case?

Liz Saville Roberts: We would argue that a distinct legal jurisdiction is needed for the quality of decisions to be made consistently. We are travelling in that direction. We need clarity on the matter. To be simple about it and not to reiterate the details that are in the amendment, the Welsh Assembly is the only legislature in the world that does not have its own jurisdiction. That in itself is a pretty clear argument.

We offer the Government a pragmatic solution to the issue that will ensure the long-term sustainability of this devolution deal for the people of Wales. Obviously, Plaid Cymru would prefer to see a clean break, with the creation of a separate legal jurisdiction, but our amendment offers a reasonable position that I hope the whole House will recognise as necessary. For this reason, I will be pressing the amendment to the vote.

On the Government and Opposition amendments, new clause 4 stops the devolution of decision-making powers over when to hold elections for police and crime commissioners in Wales. As it is another example of this Government’s shameful misunderstanding of what devolution means, we will not support this amendment if it is pressed to the vote, but we do not intend voting against it. Government amendments 3 to 8 are uncontroversial and technical, and warrant no further discussion at this point.

A number of Government amendments are based on recommendations made in July by the Presiding Officer of the National Assembly for Wales, Elin Jones. Plaid Cymru had tabled these amendment in earlier stages and we are pleased to see that the Secretary of State has now endorsed our position. We are disappointed, however, that the Government have failed to recognise the Presiding Officer’s recommendations concerning the legislative consent process and the restoration of the Assembly’s current ability to legislate in an “ancillary” way on exceptions from competence.

Amendments 9 to 12 give the Presiding Officer, rather than the Secretary of State, powers over when to call a Welsh general election. These amendments, based on the Presiding Officer’s recommendations, are welcomed by Plaid Cymru and will be supported. We support Government amendments 14 to 18, which make changes to the finance provisions in the Bill. These are further examples of amendments proposed by the Presiding Officer which the Government have accepted. We also support the related consequential amendments, Government amendments 30, 31, 44, 48 and 51.

Amendments 19 to 22 laid by the Government insert the Welsh names of institutions into the Bill for clarity. These amendments are not controversial. Government amendment 26, which clarifies the ability of an Assembly Act to specify the prosecutor of an offence within devolved competence, is also based on the recommendations made by the Presiding Officer. I appreciate the Secretary of State’s explanation of this clarifying amendment, which we support.

Plaid Cymru also supports Government amendments 28 and 29. Amendment 28 allows for changes to the role of the Children’s Commissioner by the Assembly. Amendment 29 removes prohibition on the ability of an Assembly Act to modify sections 145 and 145A of the Government of Wales Act 1998, relating to examinations and studies by the Auditor General for Wales—again, a change suggested by the Presiding Officer. Government amendments 32 and 34 to 36 are technical changes or remove errors in the wording of the Bill. Government amendments 33 clarifies areas in which areas UK Ministers will retain authority. Although this is a technical change, we fundamentally disagree with the principle of this section of the Bill and will, if necessary, vote against the amendment.

Government amendments 39 to 42 increase the number of devolved bodies listed in schedule 4. We are pleased that the list has expanded, but the fact that the Government has had to expand it before the Bill is even enacted illustrates what Plaid Cymru has said from the beginning—that the Bill is overly restrictive and in the long term will inevitably become unworkable.

Amendment 43, tabled by the Government, allows Orders in Council to be used to make provision for proclamations related to the timing of elections, as provided for by amendments 11 and 12. As we support amendments 11 and 12, we will also support this amendment. Government amendment 49 is a technical change relating to the understanding of Wales public authorities. This amendment is not contentious. Government amendments 52 to 57 are either consequential or technical amendments. There is no need for comment on them at this time.
In conclusion, I look forward to the Secretary of State’s response.

Nia Griffith: I rise to speak to new clause 3, on railways, and to amendment 2, on the community infrastructure levy.

Back in our Labour manifesto for the 2011 Assembly elections, we put forward the idea of exploring the possibility that a not-for-profit organisation should have the option to bid for the Wales and Borders rail franchise, in the same way that Dwr Cymru Welsh Water is owned by a not-for-profit organisation. Giving the Welsh Government further powers over rail transport brings decision making closer to people in Wales. Currently, the provisions of the Railways Act 1993 mean that it is not possible for a public sector body to bid for the franchise, which limits the options. Yet, ironically, a German state-owned company can operate the very same franchise.

Yet, a German state-owned company can operate the very same franchise.

In conclusion, I look forward to the Secretary of State’s response.

The Secretary of State has now clarified the point about Dwr Cymru, which, of course, does serve customers in England—we need to remember that. I am sure that a not-for-profit company could be put off by differences. Well, there are already some differences. The same argument was used against devolving building regulations, but they have now been devolved. It is up to the Welsh Government to think through whether particular differences will be a disadvantage or an advantage to Wales. Having the powers does not necessarily mean that they will have to make things different for the sake of being different; it is a discretion that is there to be used. It is crazy not to devolve this power when the CIL is so much part of the planning system.

Chris Elmore (Ogmore) (Lab/Co-op): I declare that I am a county borough councillor in the Secretary of State’s constituency, although I do not receive an allowance for that. I can speak ad nauseam about the CIL, having served as a councillor for the last eight and a half years in the Vale of Glamorgan. There is a clear line, and I hope my hon. Friend will agree. In terms of planning controls and building controls, but specifically around the CIL, there are already differences, as she mentions, by county borough. In certain counties, such as the one I represent as a councillor, the CIL is significantly higher than, for example, in the one represented by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones). Surely it makes absolute sense to have that devolution so that the Welsh Government can set priorities with Welsh local government, rather than relying on the Department for Communities and Local Government.

Nia Griffith: Indeed, my hon. Friend is absolutely right—we have the explanation from the horse’s mouth, because he had to deal with this practically, in his everyday business, before he came into this place. I hope the Secretary of State will look again at this and consider very seriously the devolution of powers over the community infrastructure levy to the Welsh Government.

Carolyn Harris (Swansea East) (Lab): I stand to speak to new clause 2 on fixed odds betting terminals. I welcome this amendment to the Wales Bill to confer legislative competence on the National Assembly for Wales to enable it to address the issue of FOBTs in Wales.

As Members will know, I have a long-standing concern about the growth and proliferation of FOBTs across the United Kingdom, and especially in Wales, as the Member of Parliament for Swansea East. That concern is shared by many in Parliament, and that has led to the formation of an all-party group on fixed odds betting terminals, of which I am proud to be the chair. The group is running an inquiry into FOBTs to assess their impact, and we will report to the Government early in the new year.

The new clause would confer legislative competence on the National Assembly for Wales to enable it to address the issue of FOBTs in Wales. That follows the adoption by the Welsh Assembly last year of a Back-Bench motion, supported by Members of all four parties then represented in the Assembly, calling attention to the social problems arising from the increase in gambling, and calling for consideration to be given to devolving responsibility over this matter to enable the Assembly to address it effectively.
The new clause is to be welcomed because it will add some additional control over FOBTs located in all new betting premises in Wales. Given the current low level of regulation surrounding FOBTs, any additional regulation is to be welcomed. The new clause would also, rightly, give Wales parity with Scotland in relation to FOBTs—that is, there is no reason why there should be greater protection of the vulnerable in Scotland than in Wales or, indeed, in the rest of the UK.

However, while the new clause is a useful first step, it does not go far enough in protecting vulnerable communities and high streets in Wales. In particular, it is not retrospective, so it could enhance the value of current betting shops and will not limit the current proliferation of bookmakers and FOBTs. Instead, it will create a protected monopoly of existing betting shops. Moreover, the proposal could be challenging to implement on competition grounds, since it will alter the composition of new betting shops as opposed to current ones. How we implement the new powers in the Bill would also be a question to consider.

Many have reached the conclusion that the only effective way to tackle the problem of FOBTs is to reduce dramatically the stake that can be wagered on these machines from its current level of £100. That has not been addressed in the new clause, and it is the size of the stake that many see as the real issue with FOBTs.

There will be a “Panorama” programme tonight on this very issue, which will expose the problems that these machines are causing and the need for far more stringent regulation of them. I urge all Members of the House, if possible, to watch the programme. Nevertheless, I support the new clause as a first step.

Albert Owen: I want to concentrate my remarks briefly on new clause 3 and the rail franchise. What the Secretary of State has just said to the House about Dwr Cymru is very helpful, so I will not go over that. However, it is important that the powers are devolved to the Assembly when these franchises come up. The Government have not got a good record when it comes to franchises for Welsh railways, and we saw the debacle with Virgin Trains. When the Wales and Borders franchise was set up, it was clear that responsibilities would lie within Wales. This very simple new clause is asking that the Assembly have the powers to ask publicly owned bodies to bid for the franchise. Let us not forget that the north-east coast railway was taken in-house when it got into trouble. There is already a facility within government to franchise out, it was clear that responsibilities would lie within Wales. When the Wales and Borders franchise was set up, it was clear that responsibilities would lie within Wales. That would be a positive step forward.

Hywel Williams: I rise to speak to amendments 61 and 66.

Amendment 61 seeks to devolve Welsh language broadcasting and Welsh language media to Wales. There is currently a discrepancy in that the Welsh Government has powers over the Welsh language but no powers over S4C—Sianel Pedwar Cymru—or Welsh language media, including radio and some print media. The Welsh language media are of great cultural, economic and linguistic importance to Wales. In his report on the creative industries in Wales, Professor Ian Hargreaves argued that the level of public debate about S4C was not in line with its importance, both culturally and economically, and asked whether this was “a consequence of the fact that S4C is funded...largely...from London”.

It is all very quiet, possibly because the money is coming from London—or was at that time, at least. Further, he said:

“The UK authorities involved (Ofcom and DCMS) lack the instinct and self-confidence to animate this uniquely Welsh debate and the Assembly Government lacks the formal mandate.”

This is the basis of my argument. S4C and its service have endured a difficult period of financial instability following last year’s autumn statement, when the then Chancellor announced cuts to the S4C grant from £6.7 million to £5 million by 2020. The first year of those cuts has been reversed, but only the first year. Last week we were told that the BBC Trust intends to freeze S4C’s funding from now until the end of the current licence fee agreement in 2022. This was portrayed in the media as a victory for the industry, with stability achieved, but it is a cut in real terms. With the proposed review of the funding and governance of S4C, and the BBC charter up for renewal in 2017, the future of the Welsh language channel still remains mired in uncertainty. The UK Government may have an agenda to cut funding for broadcasters in the long term. That is indeed a matter for the UK Government, but why should people in Wales be bound by decisions in London regarding media platforms that, by definition, operate through the medium of one of Wales’s official languages? Of all matters, this is surely one that most clearly pertains to Wales.

Albert Owen: I did not understand the rationale of the Government when the Secretary of State tried to explain that earlier. Not only are German national companies operating, but UK publicly owned companies have been running the east coast line through the Department for Transport. It is a logical step to allow the Welsh Government to follow the same principle in offering this opportunity to publicly owned companies for the benefit of customers.

Let us be honest about our railways: this was a privatisation too far in the 1990s. It was rushed and it has not been working. We do not have privately run companies; we have an awful lot of public money subsidising private companies from across the globe, not just from this country. The new clause asks that the Welsh Government take responsibility and that moneys—profits—that are made are not paid in dividends to large shareholders but reinvested for the good of the customers in Wales. Let us give the Welsh Government the opportunity to be bold and radical, as they have been with water, and to put passengers first.

Carolyn Harris: [Carolyn Harris]

Hywel Williams: I agree entirely with what the hon. Gentleman is saying. Is he, as I am, intrigued by the Government’s opposition, because it is clearly not ideological? They are happy for a state-owned company from Germany to run railways in Wales, but not for a state-owned company, or a co-op, from Wales to run them in Wales. That feels a bit like—malice, possibly?
Guto Bebb: The hon. Gentleman represents a constituency with a number of television producers who produce television programmes for S4C. Can he name a single one who has asked for S4C to be devolved to the competency of the Welsh Assembly?

Hywel Williams: No, of course not. This is Plaid Cymru's policy and this is the argument that has been made by various highly respected academic commentators, and others for that matter. [Interruption] The Minister starts from the business end; I start from the governance end. The governance of S4C and how it should be regulated should be a matter for the Welsh Government. The argument is in the nature of the beast. It is S4C—Sianel Pedwar Cymru. It is broadcasting in Welsh in Wales: why should not the Welsh Government have responsibility? The case is unanswerable.

Paul Flynn: The hon. Gentleman is surely aware of the extraordinary genesis of S4C. If not, I would like to spend an evening with him going over the convoluted actions that took place. We have S4C because Mrs Thatcher was reading Irish history at the time when Gwynfor Evans was promising to fast to death. There was a long and honourable battle, with the sacrifices of young people in Wales, to gain S4C. We cannot complain, as a nation, about the way it has been funded since its genesis.

Hywel Williams: I agree entirely that it has been very generously funded, and funded without very much review for 25-odd years until fairly recently. [Interruption] Indeed—and then what happened? The hon. Gentleman asks whether I am aware of the genesis of S4C. Let me say clearly that I have the conviction to prove that I am very well aware of what happened during that period. I think I had better leave it at that.

Liz Saville Roberts: I am sure that my hon. Friend agrees that S4C’s funding has resulted in it currently running more than 50% repeats, which is not satisfactory.

Hywel Williams: The television landscape has certainly changed enormously. Many broadcasters are now running a great number of repeats. The point about Welsh language television is that it has a purpose beyond just providing entertainment, or even informing or educating: it is there as part of the national project to sustain, speaking in dramatic terms, the rescue of the language.

Guto Bebb: I cannot allow the slur from the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) to go unresponded to. A significant proportion of the repeats on S4C are children’s programmes. As the father of five children, I am aware that the more repeats there are, the more they enjoy them.

Hywel Williams: Responding also as the father of five children, I would say that repeats of "Cyw" are very popular in my house.

The report of the Institute of Welsh Affairs, “The UK’s Changing Union”, called for full responsibility for S4C to be transferred to the National Assembly and thus to the Welsh Government. Plaid Cymru Members are of the firm belief that Wales should have full control over a channel that belongs to and serves the Welsh people. We should determine its future. The Secretary of State said last week that he will continue to do everything he can to ensure the channel’s continued success, and I take him at his word—I am sure that he meant it very sincerely. Conservative Members claim to have devolution at the core of their world view. “Cut out the mandarins!”, they cry. “The user”, or the customer even, “is king—take it as low as it can go—and not those drafted men in Whitehall.” If so, is not the control of a medium that serves Wales and Wales alone best placed in the hands of the people that it serves? I look forward with interest to hearing the Secretary of State justify this peculiar inconsistency on the issue.

Amendment 66 was tabled following concerns expressed to us by the Welsh Language Commissioner regarding the Bill’s potential effect on the National Assembly’s powers to legislate on matters pertaining to the Welsh language. A possible effect of schedule 2 is that should the National Assembly wish to legislate for the Welsh language, it would require the consent of the relevant UK Minister to confer, impose, modify or remove within that legislation the Welsh language functions of Ministers of the Crown, Government Departments, and other reserved authorities.

Under the current settlement, ministerial consent is required only when legislating to impose Welsh language functions on Ministers of the Crown. The ministerial consent provisions of the Wales Bill in relation to the Welsh language appear to apply to a wider range of persons than is currently the case, which would be more restrictive. I would be interested to hear the Secretary of State’s explanation or justification for that.

Let us consider a practical example. The Welsh Language Commissioner has already engaged in the statutory processes that would result in placing a duty on bodies such as Her Majesty’s Revenue and Customs, the Crown Prosecution Service, Ofcom and the BBC to adopt Welsh language standards. Our amendment would remove the requirement for ministerial consent for Acts of the Assembly affecting functions of reserved authorities, public authorities and Ministers where the Act of the Assembly relates to a Welsh language function. I am sure that the House will agree that that provision is fair and reasonable, given that the Welsh language is, quintessentially, a devolved issue.

Guto Bebb: I suspect that I can offer clarity and reassurance on this issue. There is nothing in the Bill that will affect the Welsh language retrospectively. For example, any standards imposed on a public body as a result of the Welsh Language (Wales) Measure 2011 will still be imposed by the Welsh Language Commissioner, with no effect as a result of changes in this Bill. If a future Welsh Language Measure were to be proposed, then it would have an effect, but that takes us back to the issue of democratic accountability. After all, the Welsh language is not only the language of Wales; it should also be the responsibility of this House. On the hon. Gentleman’s concerns, there is nothing in the Bill that will affect the 2011 Measure and the way in which standards are imposed under it.

Hywel Williams: I accept that the Minister sincerely holds that view. I am reflecting on the arguments put forward by the Welsh Language Commissioner.

Guto Bebb: I met the Welsh Language Commissioner in August. We have subsequently written to her, highlighting the fact that the concerns raised in relation to the
Mr Deputy Speaker (Mr Lindsay Hoyle): Order. In fairness, I let the first one go on far too long. If you do not want to sum up at the end, do not try to sum up halfway through. Interventions have to be short. There are still another three speakers to come. I am very tolerant, but I am being tested.

Hywel Williams: Thank you, Mr Deputy Speaker. This matter will probably be addressed again when the Bill goes to another place. Perhaps we could have some discussions with the Welsh Language Commissioner in the meantime, to see whether her concerns are still justified.

Albert Owen: The Under-Secretary has said that the Welsh language belongs to this House as well as to the Assembly, so is the hon. Gentleman as concerned as I am that we are unable to conduct debates through the medium of Welsh?

Hywel Williams: That is a very interesting and pertinent point. Welsh, of course, is a British language. I will regale the House, if I may, with a point that surprised the predecessor of the hon. Member for Torfaen (Nick Thomas-Symonds) when I made it in the House some years ago when he was having a go at me about my Welsh language enthusiasms. I told him that English is also a Welsh language, which promptly shut him up.

I will turn briefly to Government amendment 13, which removes the requirement for a statement by the Presiding Officer to be made in both Welsh and English. As has already been said, the Assembly’s legal requirements and Standing Orders already require statements to be bilingual, so the amendment removes duplication and I am glad to welcome it.

On amendments 63 to 67, amendment 1 and new clause 2, we would welcome the devolution of gambling, betting, lotteries and the associated licensing. The hon. Member for Swansea East (Carolyn Harris) has done a great deal of work on the issue and I commend her for it. By devolving responsibility for those issues, I am sure we will be able to create solutions that really fit the needs of the people of Wales.

I hope, of course, for a complete capitulation on all those matters by the Secretary of State, but if, unaccountably, he is not that way inclined, I look forward to his comments later this evening or to whatever he would care to correspond with me about by letter. I will not, therefore, seek to divide the House.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): I am pleased that this Bill has come to the House; I, too, sat through many Welsh Affairs Committee sittings. I support new clause 2 because, if agreed, it would allow the Welsh Assembly to take action on fixed odds betting terminals. I want to place on the record my membership of the newly established all-party parliamentary group on FOBTs, and my support for the comments of its chair, my hon. Friend the Member for Swansea East (Carolyn Harris).

7.15 pm

FOBTs let people play a variety of games, such as roulette, and they have long been a cause of concern because of the potential for users to lose large sums of money on them. The machines take bets of up to £100, with a maximum delay of 20 seconds between bets, meaning that users can make heavy losses in very short periods of time. There is a widespread view that the maximum stake of £100 is far too high. No other country in the developed world has £100-stake machines, other than in highly supervised casino environments.

Right hon. and hon. Members will have heard these machines described as the “crack cocaine of gambling” by those who work with addicts. The number of machines has grown steadily. Last year, there were some 1,500 of them in Wales. Each betting shop can have up to four of them, and according to Living Room—a Cardiff charity that helps gambling addicts—an estimated £1.6 billion was staked on FOBTs in Wales last year.

Of course, many millions of people partake in gambling, whether by buying a lottery ticket or by betting on the grand national, but for many people gambling can become a very serious addiction, which can threaten a person’s relationship, their livelihood and, in some cases, their life. According to the charity GamCare, the number of people receiving treatment for gambling addictions has risen by 39%, and the number of people who have problems as a result of playing on FOBTs represents 26% of those people who are in contact with the charity. The number of calls from people addicted to FOBTs has gone up by 50% over the past five years.

There is mounting evidence that it is those people who use FOBTs who are most at risk of problem gambling. The Gambling Commission has concluded that “while gaming machines appear to appeal to many gamblers, they seem to be particularly attractive to those at risk of problem gambling and to those with a gambling problem. Compared to non-problem gamblers, problem gamblers tend to play on gaming machines more frequently and spend more time and money on them.”

It causes me huge concern when I read reports that the number of betting shops with FOBTs is twice as high in the poorest areas of the UK—socially deprived communities—and that a disproportionate amount of the money gambled in them comes from people on low incomes. The Campaign for Fairer Gambling has found that FOBTs have “the highest ratio of use by the lowest income...gamblers” and “the second highest ratio of use by unemployed gamblers”.

One gambler, who was left with debts of £17,000 as a result of using these machines, has described them as “by far the most addictive form of gambling that’s easily accessible to anyone. I could lose £80 in one night on fruit machines, but with a FOBT you can lose that in literally seconds.”

He added that “people don’t understand how addictive these things are; they are worse than cocaine and alcohol. You get lost in your own little world and have tunnel vision, nothing matters only that next spin whatever the consequences.”
Regrettably, despite the evidence of the real harm that these machines pose, and of the need for tougher regulation and support for users, the UK Government have not shown leadership and have so far refused to act against them. The only real regulation is that the machines are limited to four per betting shop.

We would take a step forward this evening if we supported the new clause and devolved power to the Welsh Assembly, to enable it to tackle the issue. The Assembly could decide to follow the advice of the Campaign for Fairer Gambling, which has recommended reducing the number of machines per shop from four to one, as well as reducing the maximum stake that a user can place.

As my hon. Friend the Member for Swansea East said, the Assembly has already called for powers: last March, it passed a motion calling on the UK and Welsh Governments to work together to devolve more powers over the licensing of gaming machines. It is right that decisions on how to tackle FOBTs are taken in Wales, as is the case in Scotland, and the new clause and associated amendments will allow the Assembly to take a lead in addressing the challenge of problem gambling, which is so associated with those machines. I therefore ask Members to fully support new clause 2.

Jonathan Edwards: Diolch yn fawr iawn, Mr Deputy Speaker. Amendment 67 and new clause 10, which are in my name and those of my parliamentary colleagues, would put the devolution of the Wales and Borders franchise clearly in the Bill, fulfilling the UK Government’s promise to do so. Before I get into my speech, may I say that I will gladly not say a word if the Secretary of State to reconsider his position, if not today, then when the Bill is debated in the other place.

As it was, and it would be a travesty if the more lucrative routes were taken away. In his summing up, I would be grateful if the Secretary of State alleviated some of those fears.

Now that the Secretary of State has responded positively to some of the main issues that I wanted to raise, I will quickly turn to some of the other amendments in the group—two tabled by the Official Opposition, and the other by the Government—before I conclude. Plaid Cymru welcomes amendment 2, which would devolve the community infrastructure levy. As the hon. Member for Llanelli (Nia Griffith) said, it is associated with local government functions, and it makes total sense to synergise that levy in a devolved context. If the Labour party decide to press the amendment to a vote, we will support it.

In many ways, the principle behind amendment 2 is the same as that behind the Government new clause on the police and crime commissioner elections: because those elections are reserved, it is necessary to put that in the Bill. Amendment 2 clearly concerns something that is associated with a devolved function. I ask the Secretary of State to reconsider his position, if not today, then when the Bill is debated in the other place.

New clause 3 would remove restrictions in the Railways Act 1993 on certain public sector bodies bidding to operate a rail franchise in Wales. That is a long-standing Plaid Cymru policy. Many Labour Members, not least the shadow Secretary of State for Wales, have made powerful speeches about it, and when the time comes for a Division on the new clause, Plaid Cymru will support it. Based on what the Secretary of State said in his intervention, the new clause is not premature. It is pertinent that we make progress on it, and we will support the Labour party in the Division Lobby later.

Lastly, Government amendment 27 is a technical change relating to the wording around nationally significant infrastructure projects, and we see no reason to oppose it.

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to follow all the hon. Members who have spoken so far. As a child, I was intrigued to discover that it took an elephant two years to give birth, because that always struck me as a rather long time. So it seems with the Wales Bill, too, but it is good to be here at this stage of the journey.

I rise to speak in support of several important but practical new clauses and amendments, including amendment 1 and new clause 2 on fixed odds betting terminals. After the moving speeches by my hon. Friends the Members for Merthyr Tydfil and Rhymney (Gerald Jones) and for Swansea East (Carolyn Harris), I think many of us will feel genuinely fired up about the idea of transferring that power to the National Assembly. This is a power that can change people’s lives. This is a power that can do something about the addictive potential of these machines. I very much hope that amendment 1 and new clause 2 are successful.
I support, too, amendment 2, which would transfer power over the community infrastructure levy to the National Assembly. That will create closer links between planning and infrastructure, and it is a good and sensible place for the levy to be devolved to.

Many of my colleagues, including my hon. Friend the hon. Member for Llanelli (Nia Griffith)—my good friend—spoke in great detail about the new clause on railways. It is totally incongruous. It is a case of “Don’t mention the Germans”, a bit like John Cleese in “Fawlty Towers”. It is extraordinary that the Germans can run our trains, and yet public bodies in Wales do not have the right to bid for the rail franchises. Quite frankly, that is ludicrous.

I would like to make a point about amendment 61 on Welsh language broadcasting, because I am a bit sympathetic towards this. My hon. Friend the Member for Newport West (Paul Flynn) is the author of “How to be a Backbencher”. Now that he has a lot of good colleagues on the Back Benches, he can expect us to have read his book with great care. One of the things that good Back Benchers do is to make independent and pertinent points from the Back Benches.

It is somewhat peculiar that the power for the Welsh language is devolved—as it should be—to the Welsh Assembly, but that is not the case for Welsh language broadcasting. Of course, S4C and many media organisations would be concerned about the proposal, because of the way in which the funding goes to the fourth channel through the licence fee, and I accept that there are practical difficulties with this. It is not that surprising that colleagues from Plaid Cymru—who, after all, want to devolve the whole of Wales—want to devolve this power, but some of the points made by the hon. Member for Arfon (Hywel Williams) on the matter were very pertinent.

This issue goes back to the last Parliament and the whole business of how S4C funding was dealt with, when a Minister from the Department for Culture, Media and Sport came to the Select Committee to tell us that he had never seen S4C but he had heard of Fireman Sam. To be perfectly honest, we must never go back to that shambles. We must never go back to a situation where there is no collaborative working between us in this House and the Welsh National Assembly. What happened in the last Parliament was not on, and it should never, ever be repeated.

I know that we have all enjoyed the Wales Bill and its numerous sittings. I was intrigued to remember that St David said “do the little things.” In fact, he did not say exactly that; he said, “do the little things that you have seen me do”, but I have often thought that if he had just said “do the little things”, it would have been very appropriate for us Members in this House going through the minutiae of the Wales Bill.

7.30 pm

This Bill has been finished, we hope, and will now move on. However, as we consider devolution in the future, let me make a plea for us to remember that it is an ongoing process—I am not the first person to say so—and that we must see how it develops. For example, let us take the case in the past week of north Wales local authorities speaking of increased devolution to north Wales, with tax-raising and other powers. At its heart, devolution has to be relevant, and to be relevant it has to be relevant to every part of Wales. Its relevance comes with its practical application. I take great pride in the fact that the local authority leaders of north Wales, which include Labour, independent and Plaid leaders—I think I have got all the combinations right—are all very committed to that happening. We may have said goodbye to the Bill for today. We “say, good-bye—but just for now!”, as Dylan Thomas might have said. However, the process goes on, and how we deal with that will be pivotal in the future. That is why the north Wales devolution ideas should be part of that process.

Mr Mark Williams: Thank you, Mr Deputy Speaker, for calling me as, I think, the last speaker on the first group of amendments. This Report stage has been characterised by rather more interest—

Jonathan Edwards: Apart from among the Tories.

Mr Williams: Indeed. There is increased enthusiasm for the Bill, comparing attendance on Report with that in Committee, at least on the Opposition Benches.

I very much concur with the hon. Member for Clwyd South (Susan Elan Jones) on what she said about the particular relevance of some of the amendments, not least the one on betting terminals, amendment 1, as well as new clause 2. A big overarching issue with such Bills is sometimes the question: how is devolution relevant to my life? If there ever was an amendment that would have direct relevance to how people live their lives and are able to be supported in their lives, it is that amendment.

New clause 3 on rail franchising is another such amendment. The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) kindly allowed me to intervene on that point. Whether we have the capacity to control the rail network from Aberystwyth to Birmingham International airport will have a direct effect on my local economy, and prove a great convenience or inconvenience to many of my constituents. Such important issues are about making devolution relevant, and about making important decisions that are relevant at the most appropriate level. I therefore very much support at least those two amendments.

I want to say a few words about amendment 60, tabled by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), whom I consider a friend. She serves with great diligence on the Welsh Affairs Committee. Of all the issues we looked at during pre-legislative scrutiny of the now infamous Bill, which had so many flaws, the issue that gained most prominence was that of distinct or separate jurisdictions. The Members who have asked what that actually means should look at the amendment in detail. Indeed, they should also look at the excellent report that the Wales Governance Centre has produced today, which gives a clear indication of why this issue is important.

I happen to share, as does my party, many of the aspirations of my Plaid Cymru friends, but my hesitancy on amendment 60 is about the timing. The executive summary of the of Wales Governance Centre report, which is very timely, says that

“The administration of justice will require continuing reform to accommodate increasing divergence between the laws and policies of England and Wales.”
That is a fact. Twenty-four pieces of legislation were passed during the last Assembly term, and there is a growing body of Welsh law that requires attention.

Sadly, the Government have shut the door on the issue. They set up a joint working group. I have seen the terms of reference, but I have not seen any report from the group. We do not know how the meetings have been undertaken, what the outcomes will be or what the outcomes will feed into in the future. That is why I look back with some regret to the Committee stage, during which an amendment calling for a commission on justice in Wales was rejected. As such divergence evolves and a body of Welsh law—it is recognised in this Bill, to the Government’s credit—emerges, there will be nowhere for it to go, which is why the idea of a commission was so important.

My problem with amendment 60 is that, as night turns into day, a great leap will be necessary. As Silk suggested, I think we need to consider a period of review and reflection—not vague, cul-de-sac, long-grass reflection, but something set up in statute, as would have been done by the official Opposition’s amendment in Committee, moved by the hon. Member for Newport West (Paul Flynn). The Wales Governance Centre has endorsed the idea of the need to look at and reflect on these issues, and to return to them in due course. Believe it or not, I suggest this issue will not go away; it will return. To our regret, the Government have shut the door on this issue.

Paul Silk said:

“There should be a review within ten years of the case for devolving legislative responsibility for the court service, sentencing, legal aid, the CPS and the judiciary to the National Assembly.”

His report is now an increasingly dated document. I have referred to it repeatedly, but it was some time ago. When the First Minister produced the Government and Laws in Wales Bill—the Plaid Cymru research department has mischievously used the wording of the Labour party’s Bill, as it was right to do in tabling its amendment—he said something very important when questioned by my colleague Kirsty Williams. He said, in accordance with Silk:

“Let’s not pretend that the devolution of justice is easy or that it can be done quickly. At the very beginning, we have to set up the expertise within Government to deal with issues of justice and to deal with the penal system, and that does take a long lead-in time. So, I think it’s a reasonable period of time—that 10-year period—in order to see justice devolved.”

Jonathan Edwards: The hon. Gentleman will be aware that our amendment 60 is, line for line, what the Welsh Government introduced as their alternative Wales Bill.

Paul Flynn: I am very grateful to the hon. Gentleman for making that point, which gets to the nub of the problem. Although we are flattered that Plaid Cymru have chosen to use the words of the Welsh Government’s policy as it was a few weeks ago, that policy has matured. In the present circumstances—very much influenced by what the Wales Governance Centre has said—it would be foolish to go ahead with it at this moment. It is premature.

Mr Williams: The policy may have matured, but I assert that this issue needs to be monitored, because it will not go away. That is why the responsibility is not on my Plaid Cymru friends or indeed the official Opposition, but on the Government to acknowledge the importance of the issue of separate and distinct jurisdictions and not let it disappear from sight. The issue will not go away, and I have every faith that in five years’ time, the hon. Gentleman will be in the Chamber making the same speech he made earlier about the importance of this issue. The issue will not go away, and the Government need to respond to it.

Question put and agreed to.

New clause 4 accordingly read a Second time, and added to the Bill.

Clause 1

PERMANENCE OF THE NATIONAL ASSEMBLY FOR WALES AND WELSH GOVERNMENT

Amendments made: 3, page 1, line 5, leave out “after Part 2 (the Welsh Government)” and insert “before Part 1 (National Assembly for Wales)”.

The effect of this amendment and amendments 4, 5, 6, 7 and 8 is that the new sections about the permanence of the Assembly and the Welsh Government, and recognition of Welsh law, are inserted at the beginning of the Government of Wales Act 2006 rather than after Part 2 of that Act.

Amendment 4, page 1, line 7, leave out “2A” and insert “A1”.

Amendment 5, page 1, line 9, leave out “92A” and insert “A1”.

Amendment 6, page 1, line 10, after “Assembly”, insert “established by Part 1”.

Amendment 7, page 1, line 10, after “Government”, insert “established by Part 2”.

Amendment proposed: 60, page 2 leave out lines 4 to 9 and insert—

“PART 2B

ESTABLISHMENT OF TWO DISTINCT JURISDICTIONS

92B Legal jurisdictions of Wales and of England

The legal jurisdiction of England and Wales becomes two legal jurisdictions, that of Wales and that of England.

92C The law of Wales and the law of England

(1) The law of England and Wales is divided into the law of Wales and the law of England.

(2) All of the law that extends to England and Wales immediately before the coming into force of this section—

(a) except in so far as it applies only in relation to England, is to extend to Wales (and becomes the law of Wales), and
(b) except in so far as it applies only in relation to Wales, is to extend to England (and becomes the law of England).

(3) In this section “law” includes—
(a) rules and principles of common law and equity,
(b) provision made by virtue of an Act of the United Kingdom Parliament, an Act of the Welsh Parliament or an Act or Measure of the National Assembly for Wales, and
(c) provision made pursuant to the prerogative.

(4) 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).

92D Senior Courts system

(1) The Senior Courts of England and Wales cease to exist (except for the purposes of sections 92H (3) and (4)) and there are established in place of them—
(a) the Senior Courts of Wales, and
(b) the Senior Courts of England.

(2) The Senior Courts of Wales consist of—
(a) the Court of Appeal of Wales,
(b) the High Court of Justice of Wales, and
(c) the Crown Court of Wales, each having the same functions in Wales as are exercisable by the corresponding court in England and Wales immediately before subsection (1) comes into force.

(3) The Senior Courts of England consist of—
(a) the Court of Appeal of England,
(b) the High Court of Justice of England, and
(c) the Crown Court of England,
each having the same functions in England as are exercisable 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 Wales and the Court of Appeal of England,
(b) Her Majesty’s High Court of Justice in England is the court corresponding to the High Court of Justice of Wales and the High Court of Justice of England, and
(c) the Crown Court constituted by section 4 of the Courts Act 1971 is the court corresponding to the Crown Court of Wales and the Crown Court of England.

(5) Subject to section 92I—
(a) references in enactments, instruments and other documents to the Senior Courts of England and Wales (however expressed) have effect (as the context requires) as references to the Senior Courts of Wales or the Senior Courts of England, or both; and
(b) references in enactments, instruments and other documents 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 County court and family court

(1) The county court and the family court cease to exist (except for the purposes of sections 92H (3) and (4)) and there are established in place of them—
(a) the county court of Wales and the family court of Wales with the same functions in Wales as are exercisable by the county court and the family court (respectively) immediately before this subsection comes into force, and
(b) the county court of England and the family court of England with the same functions in England as are exercisable by the county court and the family court (respectively) immediately before this subsection comes into force.

(2) For the purposes of this Part—
(a) the county court is the court corresponding to the county court of Wales and the county court of England, and
(b) the family court is the court corresponding to the family court of Wales and the family court of England.

(3) Subject to section 92I references in enactments, instruments and other documents to the county court or the family court (however expressed) have effect (as the context requires) as references to either or both of the courts to which they correspond.

92F Judiciary etc.

(1) All of the judges, judicial office-holders and other officers of Her Majesty’s Court of Appeal in England or Her Majesty’s High Court of Justice in England become judges, judicial office-holders or officers of both of the courts to which that court corresponds.

(2) All of 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 functions of both of the courts to which that court corresponds are exercisable except that (despite section 8(2) of the Senior Courts Act 1981)—
(a) a justice of the peace assigned to a local justice area in England may not by virtue of this subsection exercise functions of the Crown Court of Wales, and
(b) a justice of the peace assigned to a local justice area in Wales may not by virtue of this subsection exercise functions of the Crown Court of England.

(3) All of the judges, judicial office-holders and other officers of the county court become judges, judicial office-holders or officers of the county court of Wales and the county court of England.

(4) All of the judges, judicial office-holders and other officers of the family court become judges, judicial office-holders or officers of the family court of Wales and the family court of England except that (despite section 31C(1)(y) of the Matrimonial and Family Proceedings Act 1984)—
(a) a justice of the peace assigned to a local justice area in England is not a judge of the family court of Wales, and
(b) a justice of the peace assigned to a local justice area in Wales is not a judge of the family court of England.

92G Legal professions

(1) Every legal practitioner who would (but for this Part) at any time after the coming into force of this Act be entitled to carry on a reserved legal activity for the purposes of the law of England and Wales, in proceedings in England and Wales or before the courts of England and Wales, has at that time the same entitlement for the purposes of the law of England and the law of Wales, in proceedings in England and proceedings in Wales and before the courts of England and the courts of Wales.

(2) In this section—
“legal practitioner” means every solicitor, barrister, notary, legal executive, licensed conveyancer, patent attorney, trade mark attorney, law costs draftsman, accountant or other person who, in accordance with the Legal Services Act 2007 (c. 29), is entitled to carry on a reserved legal activity;
“reserved legal activity” has the same meaning as in the Legal Services Act 2007.

92H Division of business between courts of Wales and courts of England

(1) The Senior Courts of Wales, the county court of Wales, the family court of Wales and the justices for local justice areas in Wales are to apply the law extending to Wales (including the rules of private international law relating to the application of foreign law).
(2) The Senior Courts of England, the county court of England, the family court of England and the justices for local justice areas in England are to apply the law extending to England (including the rules of private international law relating to the application of foreign law).

(3) All proceedings, whether civil or criminal, pending in any of the Senior Courts of England and Wales, the county court or the family court (including proceedings in which a judgment or order has been given or made but not enforced) must be transferred by that court to whichever of the courts to which that order has been given or made but not enforced appears appropriate.

(4) The transferred proceedings are to continue as if the case had originated in, and the previous proceedings had been taken in, that other court.

Supplementary

92I Power to make further provision

(1) Her Majesty may by Order in Council make provision (including provision amending or otherwise modifying any enactment or instrument, including this Act) that appears appropriate in consequence of, or otherwise in connection with, the provision made by this Part.

(2) The provision that may be made under subsection (1) includes in particular provision relating to—

(a) courts,
(b) tribunals,
(c) the judges, judicial officers and other members and officers of courts and tribunals,
(d) the Counsel General or other law officers,
(e) the legal professions,
(f) the law relating to the jurisdiction of courts and tribunals, and
(g) other aspects of private international law (including, in particular, choice of law, domicile and the recognition and enforcement of judgments and awards).

(3) No Order may be made under subsection (1) unless a draft of the Order has been laid before, and approved by resolution of—

(a) each House of the United Kingdom Parliament, and
(b) the Welsh Parliament."—[Liz Saville Roberts.]

This amendment replaces the Bill’s proposed recognition of Welsh law with provisions to establish two distinct legal jurisdictions of England and Wales, as drafted by the Welsh Government.

Question put, That the amendment be made.

The House divided: Ayes 30, Noes 288.

Division No. 62] [7.40 pm

AYES

Ahmed-Sheikh, Ms Tasmina
Arkless, Richard
Black, Mhairi
Boswell, Philip
Brock, Deidre
Cameron, Dr Lisa
Chapman-Douglass
Cowan, Ronnie
Crawley, Angela
Day, Martyn
Edwards, Jonathan
Ferrier, Margaret
Gibson, Patricia
Grady, Patrick
Grant, Peter
Lucas, Caroline
McDonald, Stuart C.
McLaughlin, Anne
Monaghan, Dr Paul
Mullin, Roger
Paterson, Steven
Ritchie, Ms Margaret
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Thewlis, Alison
Weir, Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wishart, Pete

Tellers for the Ayes:

Owen Thompson and
Marion Fellows

NOES

Adams, Nigel
Aldous, Peter
Allan, Lucy
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, James
Blackman, Bob
Blunt, Crispin
Bolks, Nic
Bone, Mr Peter
Borwick, Victoria
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alan
Campbell, Mr Gregory
Carmichael, Neil
Cartledge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chihi, Reham
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Coffey, Dr Thérèse
Colville, Oliver
Costa, Alberto
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djankoly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drummond, Mrs Flick
Dudbridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Ephichie, Charlie
Evans, Graham
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Foster, Kevin
Fox, rh Dr Liam
Francis, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garner, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, rh Mr Nick
Gilhan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hernon, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margaret
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkins, Mr Bernard
Jenrick, Robert
Johnson, rh Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kimahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Latham, Pauline
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Lewin, rh Mr Oliver
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidding, rh Mr David
Lilley, rh Mr Peter
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Kari
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalf, 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
Mowat, David
Mundell, rh David
Murray, Mrs Sheryl
Morrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Oford, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philip, Chris
Pickles, rh Sir Eric
Pinch, Christopher
Poulter, Dr Daniel
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rutley, 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, Chloe
Smith, Henry
Smith, Julian
Smith, Rhys
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Symes, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tugendhat, Tom
Turner, rh Andrew
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Warburton, David
Warman, Matt
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
Zahawi, Nadhim

Tellers for the Noes:
Chris Heaton-Harris and
Mark Spencer

Question accordingly negatived.

Amendment made: 8, page 2, line 4, leave out “92B” and insert “A2”.—(Alun Cairns.)

Clause 6

Timing of elections

Amendments made: 9, page 6, line 27, leave out “provision is made for the day of the poll by an order” and insert “the day of the poll is determined by a proclamation”.

This amendment is consequential on amendment 11.

Amendment 10, page 6, line 36, after “specify”, insert “unless the day of the poll is determined by a proclamation under section 4(2) as modified by section 4(2A)”. This amendment ensures that the Presiding Officer is able to propose a date for an ordinary general election even if the Welsh Ministers have already varied the date of the election under new section 3(1B) as inserted by clause 6(3) of the Bill.

Amendment 11, page 7, line 3, leave out subsections (7) and (8) and insert—

“( ) For subsections (1) and (2) substitute—

(1) Subject to section 3(1A), the Presiding Officer may propose, for the holding of the poll at an ordinary general election, a day which is not more than one month earlier, nor more than one month later, than the first Thursday in May.

(2) If the Presiding Officer proposes a day 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 seven days beginning immediately after the day of the poll.

(2A) Where a day is specified by an order under section 3(1B), subsection (1) applies as if the reference to the first Thursday in May were a reference to that day.”

( ) In subsection (3), for “(2)(b)” substitute “(2)(c)”.

( ) In subsection (4)—

(a) for “An order under this section may” substitute “The Welsh Ministers may by order”;

(b) for “Secretary of State considers” substitute “Welsh Ministers consider”; and

(c) after “poll” insert “under this section”.”

This amendment allows the Presiding Officer to propose a new date for an ordinary general election, subject to new section 3(1A) and (1B) which are inserted by clause 6(3) of the Bill. If such a proposal is made Her Majesty may take certain steps to arrange the new election.

Amendment 12, page 7, line 9, at the end insert—

“(10A) Section 5 (extraordinary general elections) is amended as set out in subsections (10B) and (10C).

(10B) In subsection (1), for “Secretary of State” substitute “Presiding Officer”.

(10C) In subsection (4)—

(a) for “Secretary of State” substitute “Presiding Officer”;

(b) for “Order in Council” insert “proclamation under the Welsh Seal”.”—(Alun Cairns.)

This amendment transfers the function of calling an extraordinary general election of the Welsh Assembly from the Secretary of State to the Presiding Officer. The amendment also makes provision for the Welsh Seal to be used to call the extraordinary general election.
Clause 8

SUPER-MINORITY REQUIREMENT FOR CERTAIN LEGISLATION

Amendment made: 13, page 10, leave out lines 3 to 10.

(Alun Cairns.)

This amendment removes the explicit requirements about the use of Welsh and English for statements made by the Presiding Officer under the new section 111A inserted in the Government of Wales Act 2006 by clause 8.

Clause 12

FINANCIAL CONTROL, ACCOUNTS AND AUDIT

Amendments made: 14, page 12, leave out line 20.

This is a drafting amendment consequential on amendment 18.


This is a drafting amendment consequential on amendment 18.

Amendment 16, page 12, line 21, at end insert—

“( ) In section 124 of that Act (payments out of Welsh Consolidated Fund), after subsection (4) insert—

(4A) A sum paid out of the Welsh Consolidated Fund may not be applied for any purpose other than that for which it was charged or (as the case may be) paid out.”

This amendment inserts provisions in section 124 of the Government of Wales Act 2006 equivalent to section 65(3) of the Scotland Act 1998.

Amendment 17, page 12, line 22, after “130”, insert “of that Act”.

This is a drafting amendment consequential on amendment 18.

Amendment 18, page 13, line 31, at end insert—

“( ) Omit section 136 of that Act.

( ) Sections 6 and 7 of the National Audit Act 1983 (value for money studies) do not apply in relation to a Welsh public authority.”—(Alun Cairns.)

This amendment removes the prohibition on an Assembly Act carrying out value for money studies in relation to Wales public authorities (as to which, see clause 4).

Clause 15

CHANGE OF NAME OF THE ASSEMBLY ETC:
TRANSLATION OF REFERENCES

Amendments made: 19, page 14, line 6, after “Wales”, insert “(Cynulliad Cenedlaethol Cymru)”.

This amendment inserts the Welsh name of the National Assembly for Wales.

Amendment 20, page 14, line 7, after “Commission”, insert “(Comisiwn Cynulliad Cenedlaethol Cymru)”.

This amendment inserts the Welsh name of the National Assembly for Wales Commission.

Amendment 21, page 14, line 8, after “Wales”, insert “(Deddfau Cynulliad Cenedlaethol Cymru)”.

This amendment inserts the Welsh name of Acts of the National Assembly for Wales.

Amendment 22, page 14, line 13, after “be)”, insert “”, or the Welsh equivalent shown in subsection (1).”—(Alun Cairns.)

This amendment makes clear that subsection (2) of the inserted section 150A operates on changes to the Welsh names of the National Assembly for Wales, the National Assembly for Wales Commission and Acts of the National Assembly for Wales.

Schedule 1

NEW SCHEDULE 7A TO THE GOVERNMENT OF WALES ACT 2006

Amendments made: 26, page 43, line 39, at end insert—

“( ) The reference to prosecutors in sub-paragraph (1)(c) does not prevent an Act of the Assembly from making provision about responsibility for the prosecution of devolved offences.

An offence is a “devolved offence” if provision for the creation of it is within the legislative competence of the Assembly.”

This amendment makes clear that the reservation at paragraph 6 of inserted Schedule 7A does not affect the ability of an Assembly Act to specify who is to be the prosecutor of an offence within devolved competence.

Amendment 27, page 73, line 11, leave out “(f),”.

This amendment removes the reference to section 14(1)(f) of the Planning Act 2008 from the definition of “relevant nationally significant infrastructure project”. Section 14(1)(f) applies only in relation to England, so the reference to it is superfluous.

Amendment 28, page 75, leave out lines 7 to 10.—(Alun Cairns.)

Without this amendment, an Assembly Act would be unable to extend or modify the functions of the Children’s Commissioner, even with the consent of the appropriate Minister: see paragraph 199 of the inserted Schedule 7A. The removal of Section N8 means that the position is governed by paragraphs 8 and 10 of the inserted Schedule 7B.

Schedule 2

NEW SCHEDULE 7B TO THE GOVERNMENT OF WALES ACT 2006

Amendments made: 29, page 79, line 40, leave out “, 145, 145A”.

This amendment removes the prohibition on an Assembly Act amending sections 145 or 145A of the Government of Wales Act 1998 (examinations and studies by the Auditor General for Wales).

Amendment 30, page 81, line 44, leave out “143” and insert “135”.

This amendment and amendment 31 are consequential on amendment 18.

Amendment 31, page 81, line 44, at end insert—

“( ) sections 137 to 143;”.

Amendment 32, page 83, leave out lines 43 and 44.

Paragraph 9(5) of inserted Schedule 7B is otiose (because paragraph 8 operates only on “reserved authorities”; whether a “devolved tribunal” is a reserved authority depends on whether it is a “Welsh public authority”, which by definition it must be). So this amendment removes it.

Amendment 33, page 85, line 34, at end insert—

“11A (1) In any enactment (whenever passed or made) not contained in this Act—

(a) a reference to provision within the legislative competence of the Assembly does not include provision that could be made in an Act of the Assembly only with the consent of a Minister of the Crown, but does include provision that is subject only to a consultation requirement.

(2) But paragraph 11(2) is to be ignored for the purposes of any such references.”—(Alun Cairns.)

This amendment makes clear that the various statutory references to provision that is within the legislative competence of the Welsh Assembly do not include provision that may be made by the Assembly only with consent of a Minister of the Crown, but do include provision that is subject only to a consultation requirement.
Schedule 3

**NEW SCHEDULE 3A TO THE GOVERNMENT OF WALES ACT 2006**

Amendments made: 34, page 86, line 28, leave out “section 5 of”.
This amendment is consequential on amendment 35.

Amendment 35, page 87, leave out lines 40 and 41.
This amendment and amendment 36 remove references to provisions that have no application to England and Wales as a result of amendments made by the Marine and Coastal Access Act 2009.

Amendment 36, page 89, line 39, leave out from beginning to “and” in line 40.
Amendment 37, page 92, leave out lines 6 and 7.

The entry for section 30 of the Jobseekers Act 1995 was included in error. This amendment removes it.

Amendment 38, page 93, line 3, at end insert—
“2A (1) The powers to make regulations under sections 10ZC, 10ZD and 53 of the Representation of the People Act 1983 (registration of electors), so far as they are exercisable by a Minister of the Crown to make provision about a UK digital service in relation to elections in Wales, are exercisable by the Welsh Ministers concurrently with that Minister.

(2) In sub-paragraph (1)—
“elections in Wales” means—
(a) an election of Assembly members, or
(b) a local government election (within the meaning given by section 203 of the Representation of the People Act 1983) in Wales;
“UK digital service” means a digital service provided by a Minister of the Crown for the registration of electors.”—(Alun Cairns.)

This amendment adds a paragraph to the inserted Schedule 3A reproducing the effect of clause 7(2)(b), (6)(b) and (10)(b), which makes certain regulation-making powers concurrently exercisable with the Welsh Ministers.

Schedule 4

**NEW SCHEDULE 9A TO THE GOVERNMENT OF WALES ACT 2006**

Amendments made: 39, page 93, line 38, at end insert—
“The Advisory Panel to the Welsh Language Commissioner or Banel Cynghori Comisiynydd y Gymraeg.”.

This amendment and amendments 40, 41 and 42 add various boards etc to the new Schedule 9A inserted in the Government of Wales Act 2006 by the Bill. Schedule 9A is a list of Wales public authorities (as to which, see section 157A inserted by clause 4).

Amendment 40, page 95, line 10, at end insert—
“The National Assembly for Wales Commissioner for Standards or Comisiynydd Safonau ar gyfer Cynulliad Cenedlaethol Cymru.
The National Assembly for Wales Remuneration Board or Bwrdd Taliau Cynulliad Cenedlaethol Cymru.
The National Independent Safeguarding Board or Bwrdd Diogelu Annibynnol Cenedlaethol.”

Amendment 41, page 96, line 10, at end insert—
“The Welsh Language Partnership Council or Gyngor Partneriaeth y Gymraeg.”.

Amendment 42, page 96, line 18, at end insert—
“The Welsh Revenue Authority or Awdurdod Cylld Cymru.
The Welsh Scientific Advisory Committee or Pwyllgor Ymgynghorol Gwyddonol Cymru.
The Welsh Therapies Advisory Committee or Pwyllgor Cyngorhol Therapiau Cymru.”.—(Alun Cairns.)

New Clause 5

**SAFETY ZONES AROUND RENEWABLE ENERGY INSTALLATIONS**

“(1) Section 95 of the Energy Act 2004 (safety zones around renewable energy installations) is amended as set out in subsections (2) to (5).

(2) In subsection (1A)—
(a) for “means the Scottish Ministers” substitute “means—
(b) paragraphs (a) to (c) are renumbered sub-paragraphs (i) to (iii);
(c) in sub-paragraphs (ii) and (iii) (as renumbered), for “paragraph (a)” substitute “sub-paragraph (i)”;
(d) before “and otherwise” insert—
“(b) the Welsh Ministers, in relation to a renewable energy installation which has, or will have, a capacity of 350 megawatts or less and—
(i) which is to be or is in an area of Welsh waters, and is not being proposed to be extended outside those areas,
(ii) to which sub-paragraph (i) has ceased to apply because of an extension or proposed extension, if subsection (1D) applies, or
(iii) to the extent that it is to be or is in an area of Welsh waters, if sub-paragraph (i) has ceased to apply because of an extension or proposed extension, and subsection (1D) does not apply.”.

(3) After subsection (1C) insert—
“(1D) This subsection applies if there is an agreement in force between the Secretary of State and the Welsh Ministers providing for the Welsh Ministers to be the appropriate Minister in relation to the whole of the installation.

(1E) Where subsection (1D) applies, the Welsh Ministers must consult the Secretary of State about the exercise of their functions as the appropriate Minister.”

(4) After subsection (4A) insert—
“(4B) Before issuing a notice under this section which relates, wholly or partly, to Welsh waters, the Secretary of State must consult the Welsh Ministers.

(4C) Before issuing a notice under this section which relates, wholly or partly, to an area outside Welsh waters, the Welsh Ministers must consult the Secretary of State.”

(5) In section 96 of that Act (prohibited activities in safety zones), in subsection (8)(a), after “the Secretary of State” insert “or the Welsh Ministers”.

(6) In section 104 of that Act (interpretation of Chapter 2 of Part 2), at the end of subsection (1) insert—
“`Welsh waters’ means so much of the internal waters and territorial sea of the United Kingdom as are adjacent to Wales, and the Welsh zone;
`Welsh zone’ has the meaning given in section 158 of the Government of Wales Act 2006.”.—(Guto Bebb.)

This new clause gives the Welsh Ministers power to demarcate safety zones around renewable energy installations in Welsh waters and to make provision prohibiting activities within safety zones.
Brought up, and read the First time.

Guto Bebb: I beg to move, That the clause be read a Second time.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:
New clause 1—Maritime and Coastguard Agency—
“(1) In section 1 of the Coastguard Act 1925 (transfer of the coastguard to the Board of Trade), at the end insert—
“(4) The Secretary of State must consult the Welsh Ministers about the strategic priorities of the Secretary of State in exercising functions under subsection (1) in relation to activities of Her Majesty’s Coastguard in Wales.

(5) In subsection (4) “Wales” has the same meaning as in the Government of Wales Act 2006.”

(2) In section 292 of the Merchant Shipping Act 1995 (general functions of the Secretary of State) at the end insert—

“(5) The Secretary of State must consult the Welsh Ministers about the strategic priorities of the Secretary of State in exercising functions under subsection (1) in relation to the safety standards of ships in Wales and protecting the health and safety of persons on them.

(6) In subsection (5) “Wales” has the same meaning as in the Government of Wales Act 2006.”

This new clause would amend the Coastguard Act 1925 and the Merchant Shipping Act 1995 so as to require the Secretary of State to consult the Welsh Ministers on the Secretary of State’s strategic priorities in relation to the activities of the Coastguard in Wales, including as regards health and safety on ships in Wales.

New clause 6—Tax on carriage of passengers by air—

“(1) In Part 4A of the Government of Wales Act 2006, after Chapter 4 insert—

“CHAPTER 5

TAX ON CARRIAGE OF PASSENGERS BY AIR

116O Tax on carriage of passengers by air

(1) A tax charged on the carriage of passengers by air from airports in Wales is a devolved tax.

(2) Tax may not be charged in accordance with that provision on the carriage of passengers boarding aircraft before the date appointed under subsection (6).

(3) Chapter 4 of Part 1 of The Finance Act 1994 (air passenger duty) is amended as follows.

(4) In section 28(4) (a chargeable passenger is a passenger whose journey begins at an airport in the United Kingdom), for “England, Wales or Northern Ireland” substitute “England, Wales or Northern Ireland”.

(5) In section 31(4B) (exception for passengers departing from airports in designated region of the United Kingdom) for “England, Wales or Northern Ireland” substitute “England or Northern Ireland”.

(6) Subsections (3) to (5) have effect in relation to flights beginning on or after such date as the Treasury appoint by regulations made by statutory instrument.”

This new Clause would make air passenger duty a devolved tax in Wales, on the lines of section 16 of the Scotland Act 2016.

New clause 7—Assignment of VAT—

“(1) The Government of Wales Act 2006 is amended as follows.

(2) In section 117 (Welsh Consolidated Fund), after subsection (2) insert—

“(2A) The Secretary of State shall in accordance with section 64A pay into the Fund out of money provided by Parliament any amounts payable under that section.”

(3) After that section insert—

“117A Assignment of VAT

(1) Where there is an agreement between the Treasury and the Welsh Ministers for identifying an amount agreed to represent the standard rate VAT attributable to Wales for any period (“the agreed standard rate amount”), the amount described in subsection (3) is payable under this section in respect of that period.

(2) Where there is an agreement between the Treasury and the Welsh Ministers for identifying an amount agreed to represent the reduced rate VAT attributable to Wales for that period (“the agreed reduced rate amount”), the amount described in subsection (4) is payable under this section in respect of that period.

(3) The amount payable in accordance with subsection (1) is the amount obtained by multiplying the agreed standard rate amount by—

$$\frac{10}{SR}$$

where SR is the number of percentage points in the rate at which value added tax is charged under section 29A(1) of the Value Added Tax Act 1994 for the period.

(4) The amount payable in accordance with subsection (2) is the amount obtained by multiplying the agreed reduced rate amount by—

$$\frac{2.5}{RR}$$

where RR is the number of percentage points in the rate at which value added tax is charged under section 29A(1) of the Value Added Tax Act 1994 for the period.

(5) The payment of those amounts under section 64(2A) is to be made in accordance with any agreement between the Treasury and the Welsh Ministers as to the time of the payment or otherwise.”

(4) The Commissioners for Revenue and Customs Act 2005 is amended as follows.

(5) In subsection (2) of section 18 (confidentiality: exceptions) omit “or” after paragraph (j), and after paragraph (k) insert “,” or (l) which is made in connection with (or with anything done with a view to) the making or implementation of an agreement referred to in section 117A(1) or (2) of the Government of Wales Act 2006 (assignment of VAT).”

(6) After that subsection insert—

“(2B) Information disclosed in reliance on subsection (2)(l) may not be further disclosed without the consent of the Commissioners (which may be general or specific).”

(7) In section 19 (wrongful disclosure) in subsections (1) and (8) after “18(1) or (2A)” insert “or (2B).”

This new Clause would allow the payment into the Welsh Consolidated Fund of half the receipts of Value Added Tax raised in Wales, on the lines of section 16 of the Scotland Act 2016.

New clause 8—Youth Justice—

“(1) Youth justice is a devolved matter.

(2) The Assembly may establish a non-departmental body accountable to the Assembly to be called Youth Justice Board Cymru to carry out all the existing functions of the Youth Justice Board in relation to youth justice in Wales.

(3) The Assembly may make provision in relation to youth justice in Wales concerning any of the subject matter of—

(a) sections 8 to 16, 37 to 42, 47, 48, 65 to 79, 97 and 98 of the Criminal Disorder Act 1998, and

(b) the Youth Justice and Criminal Evidence Act 1999.”

This new Clause would establish a separate youth justice system for Wales, in line with the recommendations made by the Silk Commission.

New clause 9—Apprenticeship levy—

“(1) In Part 4A of the Government of Wales Act 2006, after Chapter 4 insert—

“CHAPTER 5

APPRENTICESHIP LEVY

116O Apprenticeship levy

(1) The Treasury must make separate provision in regulations for apprenticeship levy charged to a person in Wales with a pay bill.

(2) The Treasury must lay an annual report before the Assembly and the House of Commons on the amount of apprenticeship levy raised in each tax year from persons in Wales.

(3) The Treasury must consult the Assembly before setting a levy allowance or a relevant percentage applicable to persons in Wales.”
This New Clause paves the way for apprenticeship levy introduced in Part 6 of the Finance Bill 2016 to be a devolved tax.

New clause 11—Duty to keep the devolution of policing under review—

“(1) The Secretary of State and the Welsh Ministers must keep the functioning and operation of policing in Wales under review, including keeping under review the question of whether policing should be devolved to Wales.

(2) In exercising their duty in subsection (1) the Secretary of State and the Welsh Ministers must have regard to—

(a) divergence in policing 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 the operation of policing, the maintenance of public order and the prevention and detection of crime.

(3) The Secretary of State and the Welsh Ministers may appoint a panel to advise them on the exercise of their functions in this section.

(4) The Secretary of State must make an annual report on policing in relation to Wales to the Welsh Ministers.

(5) The Welsh Ministers must lay the report before the Assembly.

(6) The Secretary of State must lay the report before both Houses of Parliament.”

This new clause would require the Secretary of State and Welsh Ministers to keep policing in Wales under review and, in particular, the need to devolve policing.

Amendment 70, in clause 36, page 29, line 18, leave out “350” and insert “2000”.

This and related amendments would lift the limit on the Welsh Government’s legislative competence in the field of energy from 350 megawatts to 2000 megawatts.

Amendment 71, page 29, line 22, leave out “350” and insert “2000”.

See amendment 70.

Amendment 72, page 30, line 3, leave out “350” and insert “2000”.

See amendment 70.

Amendment 73, page 30, line 17, leave out “350” and insert “2000”.

See amendment 70.

Amendment 74, page 30, line 38, leave out “350” and insert “2000”.

See amendment 70.

Amendment 75, page 30, line 43, leave out “350” and insert “2000”.

See amendment 70.

Amendment 76, page 30, line 48, leave out “350” and insert “2000”.

See amendment 70.

Government amendment 23.

Amendment 77, in clause 38, page 32, line 17, leave out “350” and insert “2000”.

See amendment 70.

Amendment 78, page 32, line 18, leave out “350” and insert “2000”.

See amendment 70.

Government amendment 24.

Amendment 79, page 32, line 32, leave out “350” and insert “2000”.

See amendment 70.

Amendment 80, page 32, line 34, leave out “350” and insert “2000”.

See amendment 70.

Government amendments 25, 45 to 47, 50, 53, 54, 56 and 58.

Amendment 81, in schedule 6, page 111, line 7, leave out “350” and insert “2000”.

See amendment 70.

Amendment 82, page 111, line 10, leave out “350” and insert “2000”.

See amendment 70.

Government amendment 59.

Guto Bebb: I will speak first to the Government amendments in the group, before turning to the amendments tabled by Opposition Members. Most of the Government amendments deal with technical changes to the energy and environment provisions in the Bill; I will discuss those first.

Clause 36 delivers the St David’s Day agreement on the devolution of energy consents, giving the Assembly and Welsh Ministers a substantially greater degree of autonomy in determining the shape of devolved energy policy in Wales. We implemented the decentralisation of consenting responsibilities for all onshore wind projects earlier this year. The Bill will devolve to Wales specific consenting responsibility for all other electricity generating projects up to and including 350 MW in size.

It is important that the Welsh consenting authority has the ability to take measures to ensure the safety of offshore renewable energy installations and those who might come in contact with them. Discretionary powers already exist in the Energy Act 2004 for the Secretary of State to designate safety zones around such installations and to determine the conditions that will apply to the operation of such zones. New clause 5 extends those designation powers to Welsh Ministers in respect of offshore installations up to and including 350 MW in size in Welsh waters—that is, territorial waters up to the 12 nautical mile limit, and beyond, into the Welsh zone—and establishes appropriate arrangements for managing instances where an intended safety zone is likely to extend beyond Welsh waters.

Amendments 50 and 59 make consequential changes arising from new clause 5. Amendment 50 amends the 2004 Act to establish that regulations made under the new clause will be subject to the negative resolution procedure in the Welsh Assembly. Amendment 59 introduces tailored transitional provisions for the purposes of the offshore renewable energy safety zone provisions in the new clause. It provides that applications for the determination of safety zones received prior to the commencement of the devolution provisions will continue to be the responsibility of the Marine Management Organisation.

Government amendments 45, 46, 53 and 58 make consequential changes to ensure that the new consenting regime put in place by the Bill operates smoothly. The Bill devolves to Welsh Ministers the ability to use the consenting regime that already exists under section 36 of the Electricity Act 1989 for the purposes of granting consent for electricity generation projects up to and including 350 MW in scale in Welsh waters. We recognise that, in due course, Welsh Ministers may wish to modify and improve the offshore consenting regime and, in doing
so, apply a consistent regime between territorial waters and the Welsh zone, where the Assembly does not exercise legislative competence.

Amendment 45 will give Welsh Ministers the ability, through a regulation-making power, to make modifications that can apply in territorial waters and the Welsh zone, avoiding any inconsistencies between the two areas and providing more clarity for developers. In establishing regulation-making powers to enable Welsh Ministers to modify and improve the offshore consenting regime in due course, we are keen not to encumber them with restrictions and requirements that might frustrate them in doing so. Amendment 46 therefore serves to disapply in Wales certain aspects of the 1989 Act, leaving Welsh Ministers with greater flexibility for the future.

Amendment 53 makes technical changes consequential on the new devolution boundary that will operate between Welsh Ministers and the Secretary of State once the devolution of electricity generation consenting powers in Welsh waters and marine licensing functions in the Welsh zone is in place. The changes cater for the fact that a marine licence might in future be deemed by Welsh Ministers to be part of a development consent order under the Planning Act 2008.

Amendment 58 introduces tailored transitional provisions for the purposes of the devolved electricity generation consenting provisions of the Bill. In effect, it provides that applications received prior to the commencement of the devolution provisions will continue to proceed to a final decision by the Secretary of State.

Amendments 23 and 24 make technical drafting changes to clause 38 to reflect the fact that, in the onshore context, devolved electricity generation consenting in Wales will be carried out within the regime of the Town and Country Planning Act 1990. To avoid ambiguity, the inclusion of the concept of “planning permission” simply reflects the language of that Act.

Clause 42 provides Welsh Ministers with further executive responsibilities in the Welsh offshore region. However, we need to ensure that licensing functions that are reserved activities under the Marine and Coastal Access Act 2009 remain with the Secretary of State in the Welsh offshore region. Amendments 25 and 34 to 36 modify the 2009 Act to clarify the devolution boundary so that, for example, enforcement officers appointed using devolved powers have no powers to enforce part 4 of the 2009 Act, relating to petroleum production or exploration: the amendments also exclude the Welsh inshore and offshore regions from waters in respect of which the Marine Management Organisation exercises certain consenting and safety zone functions.

Amendment 56 modifies the 2009 Act to give Welsh Ministers powers to make regulations about the application procedure when they are both the marine licensing authority and the harbour order authority or generating station authority. Finally, amendment 47 simply removes an obsolete reference to Assembly measures.

The Government amendments are all sensible and necessary, and serve to deliver a clearer devolution boundary, one of the key aims of the Bill.

8 pm

New clause 1, which Opposition Members tabled, would provide Welsh Ministers with greater influence over the strategic priorities of the delivery of coastguard functions in Wales, the protection of people on ships, and the safety standards that apply to both ships and people on ships in Wales. They are all reserved matters. The Secretary of State would be required to consult Welsh Ministers when exercising functions under two pieces of primary legislation—the Coastguard Act 1925 and the Merchant Shipping Act 1995—when setting the strategic priorities in relation to the Secretary of State’s delivery of functions in Wales.

The new clause seeks to give effect in Wales to a proposal of the Smith commission. As Members on both sides of the House know, the Government gave a commitment in the St David’s Day agreement to consider whether non-fiscal Smith proposals should be implemented in Wales. We are implementing some of the Smith commission’s proposals relating to the Maritime and Coastguard Agency for Scotland through the agreement of a memorandum of understanding. I am therefore not persuaded today that there is a case for putting in place a statutory duty on the Secretary of State to consult the Welsh Ministers.

New clause 6 was tabled by Plaid Cymru Members. As the Government committed to do in the 2015 St David’s Day agreement, we have considered the case and options for devolving air passenger duty to the Assembly, informed by a consideration of the impact on nearby English airports. The review was necessary given the specific issues faced on the England-Wales border and the legitimate concerns expressed by English regional airports that if APD were devolved to Wales, the Welsh Government would likely propose significantly lower APD rates, if not scrap it altogether.

As hon. Members will no doubt be aware, Cardiff and Bristol airports are only 60 minutes apart and the population density of the border means that more than 4 million people live within the overlapping catchment area of the two airports. Many travellers and businesses in south Wales currently rely on a thriving Bristol airport for their main air connectivity, and its traffic and route network is substantially greater than that which Cardiff airport can currently offer.

The Government must ensure that devolution does not lead to undue market distortions with negative consequences for both English and Welsh consumers. The Welsh Government have argued for a number of years that the devolution of APD is necessary to support Cardiff airport, Wales’s only international airport. They have also argued consistently that because APD is devolved to Scotland and to Northern Ireland, it must be devolved to Wales. Indeed, I am very pleased that Cardiff airport is thriving and has increasing passenger numbers without any need to create an un-level playing field for Bristol.

If Welsh APD rates were lowered, it would cause significant and unjustifiable disadvantages for Bristol airport, probably leading to a large decrease of passenger numbers—there could be a decrease of up to 25% if Welsh APD is scrapped altogether.

**Stephen Doughty:** The Minister is talking about Cardiff airport, but what consultations did he undertake with the airport management and Cardiff airport passengers?
[Stephen Doughty]

I take issue with him on this: he said that Cardiff airport and Bristol were only 60 minutes apart. Having driven that distance many times, I am pretty sure that that is not the case, not least because of some of the challenges along the M4 at the moment.

Guto Bebb: I am sure there are challenges along the M4 at this point in time, but my understanding is that the distance between Cardiff and Bristol can be covered in an hour.

On the consultation, we looked widely at a number of options in relation to the impact of the proposed change. The clear point is that we have to take into account the impact of changes to APD on devolution. We need to consult regional airports in England that will be affected and Cardiff airport, the single international airport in Wales. However, the analysis, which we have concluded, shows quite clearly that the scale of the impact of such a change would be detrimental to Bristol to such an extent that it could have a detrimental effect on the availability of flights to south Wales consumers and businesses. In other words, it could have an unintended consequence that would be bad for the economy of south-east Wales, because we would damage Bristol before we saw any upsurge in Cardiff. On that basis, we have concluded that we are opposed at this point in time to the devolution of APD to Wales.

The Government have listened carefully to the debate about the devolution of APD and are fully appreciative of the importance of the aviation sector for creating jobs and growth in Wales. I understand the reason that hon. Members offer in proposing the change, but we cannot justify the distortion it would cause to the wider economy of Wales and to the economy of the south-west of England. That is why the Government reject the devolution of APD.

New clause 7 seeks to assign a share of the VAT revenues generated in Wales to the Welsh Government, in the same manner that a share of Scottish VAT revenues will be assigned to the Scottish Government from April 2019, following the cross-party Smith commission agreement and given effect through the Scotland Act 2016. It is important to understand the purpose of VAT assignment, which is to increase the link between the Scottish Government’s policy decisions and their budget, and thereby further to increase their accountability for the decisions they take.

Of course, that argument could be made in support of VAT assignment for Wales. The Welsh Government have a similar range of economic policy levers as the Scottish Government, and one of our key aims is to increase accountability—that is one of the key aims of the Bill. However, the independent cross-party Silk commission gave full consideration to assigning a share of VAT receipts generated in Wales. It recognised that the main argument in favour of assignment is that it would strengthen the link between the performance of the Welsh economy and the size of the Welsh Government’s budget. However, the Silk commission pointed out that it would also mean taking on additional revenue risks arising from factors over which the Welsh Government could have less control. The commission concluded that assignment of Welsh VAT revenues to the Welsh Government’s budget should not be pursued.

Jonathan Edwards: I will speak on this issue in detail if I catch Mr Deputy Speaker’s eye later in the debate. The Minister will be aware that those powers were devolved to Scotland a matter of only a year or so ago, whereas the Silk commission reported four or five years ago. Perhaps the Silk commission would have come to a different conclusion if it reported now.

Guto Bebb: The hon. Gentleman asks me to comment on a hypothetical assertion. I shall refrain from doing so, but it is important to highlight that the Silk commission considered very carefully the difference between the porous nature of the border between England and Wales and the situation in Scotland. On balance, it is my view that the Silk commission came to the right conclusion, which is why we will reject the hon. Gentleman’s proposals. The Wales Act 2014 legislated for the vast majority of the recommendations in the Silk commission’s first report, and our focus should be to work with the Welsh Government to implement it.

On new clause 8, the youth justice system, as with other elements of the criminal justice system, is not currently devolved, but significant responsibilities in relation to the management and rehabilitation of young offenders are exercised by local authorities in Wales, working in partnership with the police and devolved services such as health, children’s services and education. Devolved and non-devolved services already work successfully together in Wales to prevent youth offending, and to manage and support young offenders in the community. The Youth Justice Board provides national oversight and monitoring of those arrangements, and the Youth Justice Board Cymru has worked closely with the Welsh Government to develop a joint youth offending strategy. That establishes a coherent framework for all those involved in delivering youth justice services and ensures that there is an effective youth justice system that meets the needs of young people in Wales.

The Silk commission noted that many of the causes of youth offending relate to devolved matters, and its recommendation on devolution was aimed at promoting greater integration. However, there was no consensus in favour of devolution when youth justice was discussed as part of the St David’s Day process. The Government believe it is important that legislative competence for youth justice remains reserved to allow us to develop a consistent and coherent approach to criminal justice, and the management of offenders across all age groups, within the single legal jurisdiction. There would be significant practical challenges in devolving responsibility for youth justice in Wales while responsibility for the police, courts and other elements of the criminal justice system are reserved.

We place a high priority on addressing youth offending and maintaining a strong relationship with the Welsh Government on those matters. The Ministry of Justice is currently considering the final report of Charlie Taylor, the former chief executive of the National College of Teaching and Leadership, on his review of the youth justice system. As part of his review, he visited Wales to meet Welsh Ministers and to see local youth offending services. The Ministry of Justice will work closely with the Welsh Government to consider the recommendations made in the final report with a view to publishing the report later this year with plans for reform. Given the co-operation that exists between devolved and non-devolved
organisations, which we will seek to maintain in taking forward any plans for reform, we are not persuaded that devolving youth justice to create a separate youth justice system in Wales would result in a more flexible, economical or effective response to youth offending.

New clause 9, proposed by the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), would open the door to the apprenticeship levy becoming a devolved tax. When introducing the apprenticeship levy, the Government wanted to make the system as simple as possible for employers to operate, and to avoid adverse impacts on the integrated UK-wide single market. Operating a UK-wide levy based on the national insurance definition of earnings is the best way to achieve this outcome. In particular, it is applied consistently to employers wherever they operate within the UK single market, while this definition of earnings is something that employers are familiar with and is information they readily have in their payroll. This also avoids considerable practical difficulties that would arise if there were different rates and thresholds of the apprenticeship levy in different parts of the UK, which appears to be the thrust of new clause 9. For example, as the charge is on the employer, it would be necessary to determine how such a system would operate for organisations working across borders. This would create additional burdens for businesses that we believe are sensibly avoided. In addition, the Government have made it quite clear that devolved nations will get their fair share of the levy, and discussions are ongoing.

Liz Saville Roberts: I would like the Minister to answer my question in this case. There is real uncertainty about how much would go to Wales. How will there be transparency in relation to the apprenticeship levy when there will be companies with a head office in another area outside Wales with employees in Wales?

Guto Bebb: The aim of the negotiations between the Welsh Government and the Treasury is to ensure a fair funding formula for Wales. On transparency, I think the hon. Lady is aware that decisions on spending in Wales are decisions for the Welsh Government, so the transparency issue will arise at that point. I can assure her that the ongoing discussions between the Treasury and the Welsh Government are being conducted in the spirit of co-operation. We want the levy to succeed. Whether a Welsh young person is from Wales or England, the aim is to ensure that everything is done to facilitate the smooth operation of the apprenticeship levy? There is a lot of uncertainty for Welsh colleges and Welsh young people about how it will work.

Nia Griffith: Will the Minister give us an assurance that he will do everything possible to hurry up the negotiations and ensure that everything is done to facilitate the smooth operation of the apprenticeship levy? There is a lot of uncertainty for Welsh colleges and Welsh young people about how it will work.

Guto Bebb: When the Minister concludes the discussions, hon. Members will be involved. We will certainly try to ensure that the figures in question will be made available.

We will be aware of the funding stream that will be made available to the Welsh Government. The expectation is that in view of the number of companies in the UK when compared with the number of companies in Wales as a percentage. Wales will do comparatively well out of any UK-wide settlement, rather than having a devolved response as indicated by the amendment. The expectation is that the discussions between the Welsh Government and the Treasury will be positive. We will be more than willing to provide figures on the support provided to the Welsh Government in relation to the levy.

New clause 11 seeks to introduce a statutory duty for the Government to keep policing in Wales under review. It is intended that the duty should include keeping under review the question of whether policing in Wales should be devolved to the Assembly and the Welsh Government, and would require the Government to provide the Welsh Ministers with an annual report on this matter. I cannot support the proposal. The delivery of an efficient and effective police service to the people of Wales must be our first priority, and we should be very wary of anything that distracts from that. I have serious concerns that the introduction of a statutory requirement to keep this matter under review and to produce an annual report would be just such a distraction that would have a destabilising effect on policing in Wales.

The Silk commission recommendation to devolve policing was considered as part of the St David’s Day process and there was no consensus to take it forward. I remind hon. Members that policing in Wales has already been localised. Everyone in Wales has a direct say in policing in their area through their locally elected and accountable police and crime commissioners. I remind the House that two of them are members of Plaid and two of them are members of Labour, so it cannot be argued that the localisation of the decision to elect PCCs has benefited the Conservatives.

The current England and Wales-wide arrangements for policing work well and the proponents of devolution have failed to adequately address the significant risks that would arise if those arrangements were disrupted. Should circumstances significantly change, I would expect there to be further consideration of this matter. However, in my view new clause 11, which would have the effect of keeping this matter under perpetual review no matter what the circumstances, is unnecessary; indeed, I think it would be counterproductive.

8.15 pm
Finally, through amendments number 70 to 82, the hon. Member for Newport West (Paul Flynn) seeks to reopen an important part of the St David’s Day agreement, and a key recommendation of the Silk commission in relation to the future consenting of electricity generation projects in Wales. As I have already said, the Bill gives effect to the political consensus around the devolution of new powers over energy consents. That political consensus was firmly embedded in respect of the fact that Wales and England are, and will remain, linked through a common electricity transmission system that depends on the inputs from a broad range of generating sources. The Government remain firmly of the view that the larger the capacity of those sources, the greater their significance beyond Wales and to the UK as a whole. Consensus was reached around 350 MW being the appropriate threshold, and the Government believe that should remain the case.
I believe I have explained clearly why I cannot support the Opposition proposals put forward today. On that basis, I urge right hon. and hon. Members to withdraw their amendments.

Paul Flynn: What a bleak end to the Minister’s speech! His timid conclusion is that we have to stick to the 350 MW limit, which was decided a long time ago, and ignores, without any vision, the glorious opportunity we have in Wales. If anything is the Welsh North sea oil, it is hydro and tidal power. The possibilities are enormous. The Government’s proposal of a 350 MW limit would cover the Swansea lagoon, but it certainly would not cover the 1,800 MW at the other two planned lagoons at Cardiff and Newport. As far as nuclear is concerned, it would not cover Wylfa Newydd. It would not cover the possible alternatives to Wylfa, either.

This proposal also ignores the bold and decisive action taken by our Prime Minister, for which I sent her a letter of congratulation, to halt the Hinkley Point contract hours before the champagne corks would have been popping. Down at Hinkley Point, where they would have had their champagne, if they looked across to Wales they could have seen the second highest rising and falling tide in the world, unused and neglected but an immense source of power, washing past its walls. That could be Welsh power. That could be ours to exploit and for the Government to take on. Such power does not have the problems of the unsightly wind turbines in mid-Wales. It would enhance the natural environment in the same way as hydro. It seems remarkable that in Wales we have 2,200 MW of nuclear power. Who would know it was there? It is hidden under the hills and silent. There are lakes on top of the hills, an enhancement of nature from power stations running since 1963. It was interesting to see during the recess how many Plaid Cymru Members visited the hydroelectric power stations in their constituencies.

The possibilities that the geography of Wales gives us to exploit hydro and tidal power are numberless and immense. It is a source of renewable power which, unlike the sun and wind, is entirely predictable. In Wales, we can guarantee rain for hydro power and we can guarantee for eternity that the tides will flow. This seems to be another lost opportunity. The problems of Hinkley are not just the possibility of Chinese spies, but the possibility of the dearest electricity in the world. Unlike the curse of energy in the past, when we suffered the dirt, degradation and pollution of the coal industry, here we have a source of energy that is benign, clean, green, Welsh and eternal. What could be better than that?

It was disappointing to hear the Minister’s response to our new clause 1, which deals with marine issues. Its purpose is to promote effective consultation and communication between the Maritime and Coastguard Agency and the Welsh Government in respect of devolved fisheries and marine matters. The new clause would put Wales on the same footing as Scotland. It is increasingly irritating to hear from the Government that what is right for Scotland is never right for Wales. Wales always seems to come second when it comes to doling out these grudged gifts of power from this excessively and neurotically power-attentive Government. For goodness’ sake, let go, and let Wales past its at least what Scotland has. What on earth is wrong with that?

Powers in respect of fisheries, marine planning, inshore marine licensing and conservation are already devolved. The Wales Bill makes further provision for ports to be devolved, which is very welcome; for devolution in respect of marine licensing; for conservation to be extended to the offshore area; and for consenting over marine energy projects. That is moving in the right direction, but consultation on the MCA’s priorities would promote joined-up, cross-Government engagement at an early stage on marine and fisheries issues. The new clause is designed to promote consultation and information sharing on matters of mutual interest, which could only benefit the public as well as commercial and conservation areas. It is an entirely sensible and common-sense measure which should be accepted by the Government.

We warmly support new clause 6 on air passenger duty, tabled by Plaid Cymru Members, and will do so if it is pressed to a Division. It seems extraordinary for a Welsh Minister to talk about air travel when we know that the disposition of the airports works in a circle. At the centre of the circle are Heathrow and Gatwick, where all the traffic goes. As we move further from those hubs out to the periphery, the problems get worse. Our airport, Cardiff, is on the periphery of the periphery, so it deserves special treatment—just as the Scottish airports do. For the same reason, we deserve special impetus to make sure that we can compete. We cannot compete on an equal basis at the moment because of the geography involved. The traffic flows towards the centre—towards London and towards Bristol.

Guto Bebb: Will the hon. Gentleman explain why, if Cardiff airport is facing handicaps to such an extent, it is one of the fastest-growing airports of the past 12 months?

Paul Flynn: That is because of the wisdom of the socialist Welsh Government in taking it over—nationalising it. I am glad that the Minister draws attention to that fact—this triumph of practical socialism, which is turning through which the greatest number of jobs would be created. The 350 MW limit is meaningless. The Minister mentions the Silk commission, but that was a long time ago—before we realised that there was a huge question mark over Hinkley. We will not know for a fortnight what will go ahead there, but this Bill is a great opportunity for us in Wales. Amendments 70 to 82, which we tabled, offer a marvellous chance to get energy in Wales. Unlike the curse of energy in the past, when we suffered the dirt, degradation and pollution of the coal industry, here we have a source of energy that is benign, clean, green, Welsh and eternal. What could be better than that?

Stephen Doughty: I agree with some, though not all, of what my hon. Friend has said, but I strongly agree with him on tidal power. Many people in south Wales just want to get on with tidal power and see it moving forward. There has been a lot of frustration at the situation at UK level and the delaying of decisions. Does my hon. Friend agree that the fundamental issue here is the arbitrary megawatt limit that the Government have imposed? Does he agree that it is arbitrary and that that is why we should support his amendment?

Paul Flynn: Yes, it is arbitrary. I know my hon. Friend has connections and would like to see more jobs created in this area, as would we all. This is, in fact, the means...
out to be a success, even without the level playing field and level flying field that we need. Plaid Cymru has
tabled this new clause, and we believe that devolving
airport duty would allow Welsh airports to compete on
a fair basis with the others. We need only to look at the
geography. That tells us that the airports at Prestwick
and Cardiff are disadvantaged because of the whole
nature of flying and the magnetic attraction to the hubs
around which the population is distributed. This measure
will have to happen at some time in the future. We
should acknowledge the success of the Welsh Government’s
action over Cardiff airport.

On keeping the devolution of policing under review,
the Minister prayed in aid the four police and crime
commissioners in Wales. What he did not mention was
the fact that those four PCCs are agreed on the need for
the control of policing to go to the Welsh Assembly.
Our new clause 11 requires the Secretary of State for
Wales and his Ministers to
“keep the functioning and operation of policing in Wales under
review”. It is not asking much to suggest that we should look at
it every year. This issue has been around for a long time.

Having spent a number of years sitting on the Home
Affairs Committee, I would like to see some police forces kept at some distance from the Welsh police
forces. I refer to some in Yorkshire and the Met, about
which I have some misgivings relating to incidents involving
some of my constituents and indeed constituents of my
hon. Friends. I believe that there is a tradition of ethical
policing in Wales that has its own values and it would be
beneficial to keep possibilities in place and under review.
We should keep the light shining in the distance as we
move towards it.

Liz Saville Roberts: I wonder whether the hon. Gentleman
would agree with me on this issue. I took part in the
parliamentary policing scheme this summer, and I know
that there are great concerns among the North Wales
police about the drive for them to co-operate with
forces over the border. Although that might make sense
in terms of combating crime, it will actually result in
fewer police officers in many areas of Wales. Our police
forces are really concerned about that.

Paul Flynn: The hon. Lady makes a powerful point,
which we should bear in mind. I believe that we should
appreciate and build on the Welsh tradition of policing.
The cause is a modest one. We are not asking for full
independence of the Welsh police forces straight away,
but that is the mood within the police force. The new
clause does not call for an immediate devolution of
policing, but would allow policing—and particularly
the devolution of policing—to be kept under review by
both the Secretary of State and Welsh Ministers. The
people of Wales should have a greater say over policing,
and plans for it should be drawn up by the Welsh
Assembly.

The first draft Wales Bill was an affront to devolution.
The Welsh Government published an alternative Bill, in
which they set out plans for a 10-year strategy for the
devolution of policing. I hope that that is not too fast a
pace for the Government, but we are not rushing into
this. Ours is a modest, sensible approach which the
Government should accept.

Nia Griffith: I welcome the additional energy consents
that the Government are now going to include in the
Bill, and I especially welcome the measures relating to
grid connections. When planning consent has been
determined in Wales for energy projects such as wind
turbines, the issue of grid connection has imposed an
additional bureaucratic burden. Until now, it has been a
matter reserved to the United Kingdom Government,
which makes no sense at all.

I support amendments 70 to 76, tabled by my hon.
Friend the Member for Newport West (Paul Flynn),
which would extend the Welsh Government’s power to
determine planning consent for energy projects not just
to 350 MW, but to 2,000 MW. That would cover not
only the Swansea tidal lagoon but the planned further
lagoons for Cardiff and Newport, and I hope very
much that Members will support the amendments. Not
only do tidal lagoons offer predictable clean energy, but
the Swansea proposal will not cost the taxpayer a penny
until it actually produces electricity, and, moreover, the
bosses are very committed to sourcing components as
locally as possible. The beneficial effect of companies
producing components for tidal lagoons not just in
Swansea but in Cardiff and Newport will be apparent
to all.

8.30 pm
I could go on forever about all sorts of important
renewable projects throughout Wales—wind, hydro and
tidal—including the projects in Rheidol and Dinorwig,
mentioned by my hon. Friend, which use the force of
water alone. Let me simply say, however, that it would
be very welcome if the Welsh Government gave full
consent to those projects, and saw the whole process
through from beginning to end.

I also support new clause 6, which would devolve air
passenger duty to Wales. That was recommended in the
first Silk report, which specifically stated that
“this issue should be considered in the context of the Davies
review and any developments in Scotland and Northern Ireland.”

Given that APD has been devolved to both the Scottish
Parliament and the Northern Ireland Assembly, it is
surely right for Wales to control the tax as well.

In its evidence to the Silk Commission, the Federation
of Small Businesses said:
“if air passenger duty were to be reduced then this could increase
the flow of business and tourist visitors to Wales via Cardiff
Airport, increasing economic activity and benefiting small businesses
in Wales.”

Cardiff airport itself said:
“APD is an appropriate tax to be devolved and offers the
Welsh Government a tool which can be directly applied to support
objectives of improved connectivity”.

As we have heard, Cardiff airport has recently seen a
significant growth in passenger numbers following the
Welsh Government’s decision to nationalise it in 2013.

The latest figures, as of July 2016, show that passenger
numbers are 29% higher than they were last year. Even
if the Welsh Government chose to reduce APD somewhat,
they might recoup it through additional passenger numbers.
That could become a virtuous circle.

I hope very much that the Government will change
their mind, will think again about the Silk report and
the comments that were made at the time, and will
recognise that now is the time for APD to be properly
and fully devolved to the Welsh Government.
Jonathan Edwards: I rise to speak in support of new clauses 6 and 7. With your permission, Madam Deputy Speaker, I shall press new clause 6 to a vote at the appropriate time.

This is the fourth occasion since my election in 2010 on which I have tabled a new clause or amendment calling for the devolution of air passenger duty to Wales. I am sure that the House will be extremely relieved to hear that I shall not make a detailed speech, as I have presented my arguments many times before and consider them to be completely bullet-proof. I am grateful for what was said by the hon. Members for Newport West (Paul Flynn) and for Llanelli (Nia Griffith), who made the case for new clause 6 both strongly and eloquently. I will, however, remind the House of the broad reasoning behind Plaid Cymru’s proposal to devolve APD to Wales, and why it is significant to the Welsh economy.

As Members will know, APD has already been devolved to Northern Ireland and Scotland. It was included as a key part of the carefully crafted package of devolved fiscal powers in the Silk commission’s recommendations. Anyone who talks to the commissioners who did that detailed and comprehensive work will be told that the fiscal powers were very much a package. I think it very regrettable that both the Wales Bill and the Finance Bill have subsequently cherry-picked that carefully crafted package. Of course devolving APD would give Wales a competitive advantage, and it was telling that the Minister in his opening remarks said his principal opposition to the devolving of APD was that it would give Wales a competitive advantage. The Wales Office says it is against giving Wales a competitive advantage; I will allow the people of Wales to make up their own minds on that.

Guto Bebb: The comment I made very clearly was that the devolving of APD would, according to the surveys we have undertaken, result in damage to the availability and choice for commuters and businesses in south-east Wales.

Jonathan Edwards: I am grateful for that clarification.

Plaid Cymru tried to include APD devolution in the Finance Bills of 2013 and 2014, I recall, but we did fall to some very England-centric comments by the Treasury officials at the time. These arguments have not yet satisfied us, or I imagine the 70% of the people of Wales who support the devolution of APD, as reported in recent opinion polls—as I said in Committee, that is an extremely impressive opinion poll rating.

On Second Reading of the Bill, the Minister said it was right and proper for Wales not to have the same rights regarding APD as the other devolved nations, and he has reiterated that this evening. Why would the Wales Office seek to deny Wales the same powers as Scotland and Northern Ireland? Why would it deny our only international airport in Wales the potential to use those fiscal levers to expand and develop, and why would it deny the ability of the Welsh economy to grow?

Clearly, increasing footfall at the airport would generate substantial revenues elsewhere in Wales, primarily by boosting economic performance across the whole of the economy. The Minister in his opening remarks said that the Secretary of State has no reason not to devolve long-haul flights. I received a strongly worded letter from Bristol airport—as we can imagine—a few days after the debate; it can accommodate long-haul flights. I am happy to correct the record, therefore, but what it cannot accommodate is the world’s largest aircraft, which Cardiff airport can, given the length of its runway. With the prospect of Wales being dragged out of the biggest and most successful trading bloc in the world, now, more than ever, it is important that we connect Wales to the world, and clearly devolving APD to Wales would enable the Welsh Government to do that more effectively.

New clause 7, in the names of my parliamentary colleagues and myself, seeks to equalise the situation between Wales and Scotland on VAT revenues. I will not be pressing it to a vote, due to the time left this evening. However, I remind the House that there is a consensus that devolution of public spending responsibilities should be accompanied by the assignment of significant own sources of revenue. That principle has now been accepted as this Bill progresses, and therefore the debate in Wales between the political parties is about what that fiscal package of tax powers should consist of.

Wales’s funding framework has been highly unusual from an international perspective: there are not many Governments in the world with significant legislative and spending powers who do not also have a correspondingly important responsibility for raising tax revenues. If the UK Government are serious about securing a lasting devolution settlement for Wales, VAT should be seriously considered as part of the package of devolved fiscal powers.

The Scotland Act 2016 stated that revenues from the first 10 percentage points of the standard VAT rate would be devolved by the 2019-20 financial year. The current UK VAT rate is 20%, and half of all the VAT raised in Scotland will be kept in Scotland. A recent article published by the Wales Governance Centre confirms what I said in Committee, stating that Welsh VAT revenues have “been far more buoyant than other major taxes, such that VAT has become the largest source of revenue in Wales.”

This is in contrast to the rest of the UK and Scotland, where income tax remains the largest source. The Government Expenditure and Revenue Wales report concluded that around £5.2 billion was raised in VAT revenue in Wales in 2014-15. A similar deal to that of Scotland would mean around £2.6 billion being assigned to the Welsh Government. This would mean that more than a third of total devolved expenditure would be financed by devolved and assigned taxes. By my calculation, that would represent an increase of about 13% compared with the amount to be raised under the current proposals.

I presume that as long as we have a Conservative Government in charge of the Treasury here, economic growth will continue to be driven by consumer spending.
If that is the case, it is all the more important that the people of Wales benefit directly from that growth and from their own spending power. By devolving proportionately low revenue yielding taxes compared with the UK average, such as income tax, without devolving proportionately high revenue yielding taxes compared with the UK average, such as VAT, the UK Government are setting the tone in the Bill for an unfair and unstable fiscal position for Wales.

The devolution of VAT rates has been dismissed in the UK in the past on the ground that European Union rules prohibit the variation of VAT rates within a member state. Although we are calling only for parity with Scotland in this instance, the UK’s exit from the EU could open a debate on devolving rate-setting powers to Wales. If, as the International Trade Secretary and the Brexit Secretary seem to want, the UK does not remain part of the single market, that could open up a world of possibilities for fiscal policy. Setting VAT rates could give Welsh Ministers a powerful macroeconomic lever, and could perhaps be used in conjunction with other tax powers in considering the overall progressivity of the tax system in Wales.

Hywel Williams: I agree entirely with my hon. Friend. Does he agree that the record of Governments in London, both Labour and Conservative, is not encouraging? Under an agreement made in Helsinki in 2008, states are allowed to vary VAT down to 5% in labour-intensive industries. Were that to happen in respect of, say, tourism and construction in Wales, a huge amount of new business would be generated and the lost tax would be made up very quickly, but this Government and their predecessor did not take advantage of that dispensation. We do not need to wait for Brexit. We could make this change now, but the Government refuse to do so.

Jonathan Edwards: I am grateful to my parliamentary leader for that intervention. Plaid Cymru has a long-standing policy to make the case at Budgets and autumn statements in this House for the lowering of the VAT level for the tourism industry in Wales. The all-party parliamentary group on the tourism and hospitality industry in Wales, chaired by the hon. Member for Ceredigion (Mr Williams), has also called for that reduction, which would be of huge benefit to the industry.

The Under-Secretary of State for Wales, the hon. Member for Aberconwy (Guto Bebb), has said tonight that he will not support the new clause because the proposal was not part of the Silk commission’s recommendations. This is a classic case of the UK Government cherry-picking powers as it suits them and using the Silk commission as a justification for omission—in this case, in relation to VAT—while dismissing its recommendations for the inclusion of measures on, for example, APD.

Wayne David: I want to say a few words about new clause 11 and whether the devolution of policing is to be kept under review. I begin with a non-partisan point. When I was a Wales Office Minister for some 18 months, it struck me during meetings at the Home Office to consider policing in England and Wales how it became matter of fact simply to talk about England. That changed when I banged the table a few times, but it was interesting, going back several years now, that there was already a mindset that policing had been devolved to Wales—so they thought—and that it need not be considered by the Home Office. One of the unintended consequences of devolution is the assumption, certainly made by senior civil servants at that time—I suggest that it is still made—that policing has been devolved and that it should be considered on an England-only basis. It is not enough for us to keep on reminding people that it is not devolved; we have to realise why that assumption has been made and work out what is the logical direction of travel. A fair point made frequently by our colleagues in the Welsh Assembly is that policing is the only non-devolved emergency service in Wales.

Over the past few years, we have seen a movement towards the practical involvement of the Welsh Assembly in the day-to-day development of policing strategies, particularly on community safety. They fund a large number of police community support officers—I think they call them community support officers—and there are initiatives on counter-terrorism and how to get effective policies to tackle the threat. The Tarian unit is looking at organised drugs crime in Wales and how to combat it. Also, as has been mentioned, Wales has four police and crime commissioners who argue strongly and logically that the time has come for the devolution of policing to be seriously considered. The four police authorities in Wales have created a police liaison team that involves senior officers regularly meeting the Welsh Government. In a sense, a dovetailing is already taking place before our eyes on day-to-day policing.

I am not suggesting that this is an easy matter to be considered and then easily devolved, as it is not; it is complex and difficult. For example, the funding arrangements for policing in Wales are the most complicated of those of all the public services. More than a third of
all police funding in Wales comes from the Home Office—that is more than £250 million a year, so we are talking about a heck of a lot of money. Before any devolution occurs, we want to be sure that we have funding arrangements commensurate with the powers that are devolved. That important issue must be central to any discussions and future negotiations.

We will also have to be mindful of the need for effective cross-border co-operation in any devolution of policing. As we all know, crime does not recognise any international boundaries these days, and it certainly does not recognise Offa’s Dyke, so we need strong, automatic mechanisms of co-operation in place as part of any devolution strategy. On co-operation, it is also particularly important that we examine the issue of police training and recognise that no matter what the devolution package is, it is extremely unlikely that Wales would develop its own training strategy for police officers. We would have to buy in, if necessary, from the national College of Policing, which is based in Berkshire and does an excellent job on police training. We also need to continue our involvement with the National Policing Improvement Agency. Policing must not be separated; we need to make sure that a close partnership is developed and put in place, taking into account the current funding arrangements, which are no longer suitable for the situation in which we find ourselves.

This issue will not go away, because of political imperatives and because the practicalities of tackling crime efficiently necessitate more devolution and greater partnership with the institutions of government that exist in Wales and are developing—this Bill helps in their development. We do not need a knee-jerk reaction, simply saying that the devolution of policing can be done easily and quickly, as it cannot. However, this needs to be kept under review, as this sensible and moderate new clause suggests. I heard the Minister’s negative comments, but I hope that he will recognise reality and keep this issue full square on the table, so that we have an active and positive consideration, and that when the time is right and there is a political consensus for it, we devolve policing powers for Wales.

Stephen Doughty: I wish to speak briefly about two areas: the amendments on energy generation and new clause 6 on air passenger duty.

On energy, I have already indicated my support for many of the comments that were made by our Front-Bench spokesman and indeed that were coming from those on the Government Benches, too. I believe the Welsh Government should be having more say on this issue because the Welsh Government and the Welsh Assembly have set a very different direction on sustainability and energy production right from the outset. We saw the principle of sustainable development and sustainability embedded in the first Wales Act, and the sustainable futures Act and other legislation passed in the Assembly have also shown a different direction. I trust people there to make a better choice about the energy mix and energy production matrix in Wales than we are seeing coming from the UK Government, particularly when they abolish the Department of Energy and Climate Change and downgrade sustainability and climate change in their overall agenda. We have a different approach in Wales. The megawatt limits that are set at the moment are arbitrary, and we ought to be giving as much encouragement as possible to local decision making on this, for many reasons. In particular, I would like the removal of some of the impediments to local energy generation by community energy schemes, as so much damage has been done to these schemes.

At the Co-operative party conference this weekend—I am a proud Co-operative party MP as well—I heard about the damage that has been done to community and co-operative energy across the UK by the rapid changes, for example, to feed-in tariffs, and the bureaucracy surrounding such schemes. It has been a huge mistake and has caused great damage to the industry. We have a thriving community energy sector in Wales that I want to see grow and expand. Given the framework that the Welsh Government and the Welsh Assembly have set from the beginning and which is very much embedded in their structures, it makes clear sense to devolve and expand the powers in this area.

It may seem odd for me to talk next about air travel and new clause 6. I believe that the expansion of air travel must be in balance with other forms of transport and within the framework of the Climate Change Act 2008, Welsh domestic legislation on sustainability and the Paris agreement. I am not convinced by the case that the Minister outlined today about air passenger duty. I find it particularly curious that the Secretary of State, who has Cardiff airport in his constituency, just 15 minutes away from the boundaries of my own, is willing to oppose this idea. Expanding provision at Cardiff airport will lead to shorter journey times, less congestion, less traffic and less cost for consumers in Wales. It will generate jobs and opportunities for the Secretary of State’s constituents and mine, many of whom work in the airport and in the aerospace industry and supply industry locally.

On the idea that it takes just 60 minutes to get across to Bristol, I have travelled to and from Bristol airport on a number of occasions. I have travelled there by all the different modes of transport—I have driven in my car, I have taken the train to Bristol Temple Meads and caught the connecting bus, and I have taken the coach directly to the airport. Bristol airport is a very nice place and I had a very nice experience there. I have nothing bad to say about Bristol airport itself, but it is complicated to get there. It takes a long time. With Cardiff airport just 15 minutes down the road from my constituency and from our capital city, it seems odd that a Wales Office Minister—indeed, the Secretary of State—rather than getting the best deal for Wales, should stand up for an airport on the other side of the Severn bridge and encourage passengers to go over there.

There is a further issue. Ministers have talked about the opportunities for Welsh passengers to travel from Bristol airport. Those will remain, but we do not benefit as much from passengers coming from the south-west, for one very good reason: the Severn bridge tolls. Why would passengers choose to come across to Cardiff airport, which entails crossing a toll bridge, when they have an airport on their own doorstep? We need to think carefully about what is the right decision.

I was not an absolute believer in the original Welsh Government decision to get involved in running the airport. I admit I was a sceptic, but they did the right thing and their decision has borne fruit, as we heard.
As with every Plaid Cymru amendment brought forward, this is not a matter of politics, but common sense. Independent experts—indeed, independent experts, once again—are lining up to tell the Minister why he should devolve youth justice. I have already mentioned the Silk commission and Professor Rod Morgan, but the list goes on. Wales’s second Children’s Commissioner, Keith Towler, stated quite clearly that devolution responsibility over youth justice would make a massive difference in the way young people caught up in the justice system are supported, and it might even help cut crime. Leading legal academic, Richard Owen, has undertaken research to show the huge potential benefits of devolving youth justice.

However, perhaps the strongest statement came from the Howard League for Penal Reform, which has campaigned on the issue of youth justice for many years. When it found out that Plaid Cymru was putting forward this new clause, it wrote to me directly saying: “When it comes to Welsh children in trouble with the law, Wales should be able to come up with a Welsh solution to a Welsh concern. This is particularly the case because both social services and education policy are already devolved and it is a welfare-led approach which will prove most effective for troubled children.”

The Youth Justice Board in Wales already recognises that in its children-first approach, and there is an opportunity to build on that distinctiveness and to protect it from any Westminster-led reforms that fail to take into account the specific needs of Welsh children. Why do the Secretary of State and the Government continue to fail to listen to these independent experts?

The indications are that the Government’s upcoming report into youth justice, undertaken by Charlie Taylor, the former chief executive of the National College for Teaching and Leadership, is likely to come out in favour of further devolution. Why not, therefore, use the biggest legislative vehicle for devolution in Wales for years to remove youth justice from the reservations now? I anticipate that this matter, like many matters relating to justice, will be discussed here once again and without delay when that report is published later this year.

The Government have already said that they are looking to devolve aspects of youth justice to other areas of the UK. Can the Minister explain to the people of Wales why such authorities as the Greater Manchester combined authority are set to gain increased competence over youth justice, when the established National Assembly for Wales, with a track record on closely related issues, is not? Is he not standing up for Wales among his Tory Cabinet colleagues?

The relatively insignificant £300,000 cost the Government estimate would be involved in setting up a Welsh youth justice system would pale into insignificance compared with the positive outcomes for young people caught up in the criminal justice system. Financial savings might even be made if, as predicted by many experts, offending rates decrease following its devolution. The benefits for the UK Government and the Welsh Government are clear. This is not only a morally responsible policy, but a logical and financially sensible thing to do. Although we will not push the new clause to a vote, will the Minister please outline why he is not listening to the Silk commission and the plethora of experts urging him to devolve youth justice?

New clause 9 relates to the devolution of the funds generated through the apprenticeship levy. The Government’s chaotic and haphazard approach to the apprenticeship levy has left all the devolved Administrations...
in confusion. While the specifics are clear for businesses in England, the way in which businesses, public organisations, colleges and training providers in Wales will be able to access and benefit from the moneys generated by the levy remains completely opaque. Plaid Cymru has a long-standing commitment to improving the standard and increasing the number of apprenticeships in Wales. With every other area of apprenticeships, skills and training already devolved, it is incomprehensible that the Government have chosen to impose this as a blanket policy across the UK. Beyond the issues I have outlined as a matter of principle, an unacceptable number of questions remain unanswered. How will the levy work in relation to companies that employ people across the border? How will Wales receive the money owed to it through the levy, and how will we know that it is a fair allocation? Although we do not wish to press the new clause to a vote, we are asking for a clear commitment from the Secretary of State to ensure that Wales gets its fair and transparent share of the receipts generated by the apprenticeship levy.

I now turn to amendments tabled by the Government and Opposition Front Benchers. The Government’s new clause 5 is based on the premise of giving Welsh Ministers power to demarcate safety zones around renewable energy installations in Welsh waters and prohibit activities within such safety zones. That does indeed seem empowering. Unfortunately, however, it further highlights the senseless limit of 350 MW capacity on renewable energy projects, to which we are fundamentally opposed. Amendment 47 and its consequential amendment 45 remind us again of this limit. We welcome new clause 1, tabled by the official Opposition, which would amend the Coastguard Act 1925 and the Merchant Shipping Act 1995 so as to require the Secretary of State to consult Welsh Ministers in relation to the activities of the coastguard in Wales.

New clause 11 relates to keeping the devolution of policing to Wales under review. I could say much, but, like my hon. Friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards), I have discussed these matters so many times in this Chamber that I feel it does not need to hear me reiterate them. I am glad that there is consistency in Plaid Cymru’s argument and that Labour is perhaps moving in the right direction.

Amendments 70 to 82 attempt to increase the limit on the Welsh Government’s legislative competence in the field of energy from 350 MW to 2,000 MW. That would of course be welcome. However, why do the official Opposition still believe that we must put an arbitrary limit on the Welsh Government’s powers at all when there is no such limit on the powers of the Scottish Government? I was pleased that for once the official Opposition supported our amendment in Committee to remove the limit altogether, so I am disappointed that in these amendments they appear to have rowed back on their support for allowing Welsh natural resources to be in the hands of the people of Wales. I would greatly appreciate from the Minister clarification of amendment 50, which relates to the negative resolution procedure for Welsh Ministers under the Energy Act 2004, as that is not particularly clear as it stands.

**Question put and agreed to.**

New clause 5 accordingly read a Second time, and added to the Bill.
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
carmichael, Neil
Cartledge, James
Cash, Sir William
caufield, Maria
Chalk, Alex
Chisholm, Rehan
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleervey, James
Coffey, Dr Therese
Collins, Damian
Colville, Oliver
Costa, Alberto
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djanogly, rh Jonathan
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Double, Steve
Dowden, Oliver
Dwyer-Price, Jackie
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Ephicie, Charlie
Evans, Graham
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
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, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillian, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Graying, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic

Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollins rake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, rh Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenrick, Robert
Johnson, rh Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Kennedy, Seena
Kinahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, rh Dr Julian
Liddell-Granger, Mr Ian
Liddle, rh Mr David
Lilley, rh Mr Peter
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, rh Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
Menzies, Mark

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Arger, Edward
Bacon, rh Mr Richard
Baldwin, Harriet
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry

Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Reed, Mr Steve
Rees, Christina
Reynolds, Jonathan
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Saiville Roberts, Liz
Sharma, Mr Virendra
Sheppard, Tommy
Sheriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smyth, Karin
Starmer, Keir
Stephens, Chris
Streeting, Wes
Stuart, rh Ms Gisela
Tam, Mark
Thelwiss, Alison
Thomas-Symonds, Nick
Thompson, Owen
Trickett, Jon
Turley, Anna
Turner, Karl
Tiggw, Derek
Tiggw, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mike
West, Catherine
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Zeichner, Daniel

Tellers for the Ayes:
Holly Lynch and
Jeff Smith

Beresford, Sir Paul
Berry, James
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burns, Connor

NOES

Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, rh Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenrick, Robert
Johnson, rh Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Kennedy, Seena
Kinahan, Danny
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, rh Dr Julian
Liddell-Granger, Mr Ian
Liddle, rh Mr David
Lilley, rh Mr Peter
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
Menzies, Mark
Mercer, Johnny  
Merriman, Huw  
Metcalfe, Stephen  
Miller, rh Mrs Maria  
Milling, Amanda  
Mills, Nigel  
Mitton, rh Anne  
Mitchell, rh Mr Andrew  
Mordaunt, Penny  
Morris, Anne Marie  
Morris, David  
Morris, James  
Morton, Wendy  
Mowat, David  
Mundell, rh David  
Murray, Mrs Sheryll  
Murrison, Dr Andrew  
Newton, Sarah  
Nokes, Caroline  
Nuttall, Mr David  
Offord, Dr Matthew  
Opperman, Guy  
Osborne, rh Mr George  
Osborne, rh Mrs Caroline  
Owen, rh Mr Owen  
Parish, Neil  
Paterson, rh Mr Owen  
Pawsey, Mark  
Penning, rh Mike  
Penrose, John  
Percy, Andrew  
Perry, Claire  
Phillips, Stephen  
Philip, Chris  
Pickles, rh Sir Eric  
Pinner, Christopher  
Poulter, Dr Daniel  
Prentis, Victoria  
Prisk, Mr Mark  
Pursglove, Tom  
Quin, Jeremy  
Quince, Will  
Raab, Mr Dominic  
Redwood, rh John  
Rees-Mogg, Mr Jacob  
Robertson, Mr Laurence  
Robinson, Gavin  
Robinson, Mary  
Rosindell, Andrew  
Rutley, 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, Chloe  
Smith, Henry  
Smith, Julian  
Smith, Royston  
Soames, rh Sir Nicholas  
Solloway, Amanda  
Souby, rh Anna  
Spelman, rh Mrs Caroline  
Stephenson, Andrew  
Stevenson, John  
Stewart, Bob  
Stewart, Ian  
Stewart, Rory  
Streeter, Mr Gary  
Stride, Mel  
Sturdy, Julian  
Sunak, Rishi  
Swayne, rh Sir Desmond  
Swire, rh Mr Hugo  
Syms, Mr Robert  
Thomas, Derek  
Throup, Maggie  
Timpson, Edward  
Tolhurst, Kelly  
Tomlinson, Justin  
Tomlinson, Michael  
Tracey, Craig  
Tugendhat, Tom  
Turner, rh Mr Edward  
Vadera, Mr Shashi  
Vickers, Martin  
Villiers, rh Mrs Theresa  
Walker, Mr Charles  
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  
Williamson, rh Gavin  
Wilson, rh Mr Rob  
Wilson, Sammy  
Wollaston, Dr Sarah  
Wood, Mike  
Wragg, William  
Wright, rh Jeremy  

Tellers for the Noes:  
Mark Spencer and  
Chris Heaton-Harris  

(2) Tax may not be charged in accordance with that provision on the carriage of passengers boarding aircraft before the date appointed under subsection (6).  

(3) Chapter 4 of Part 1 of The Finance Act 1994 (air passenger duty) is amended as follows.  

(4) In section 28(4) (a chargeable passenger is a passenger whose journey begins at an airport in the United Kingdom), for “England, Wales or Northern Ireland” substitute “England, Wales or Northern Ireland”.  

(5) In section 31(4B) (exception for passengers departing from airports in designated region of the United Kingdom) for “England, Wales or Northern Ireland” substitute “England or Northern Ireland”.  

(6) Subsections (3) to (5) have effect in relation to flights beginning on or after such date as the Treasury appoint by regulations made by statutory instrument.”—(Jonathan Edwards.)

This new Clause would make air passenger duty a devolved tax in Wales, on the lines of section 17 of the Scotland Act 2016.

Brought up, and read the First time.

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

The House divided: Ayes 195, Noes 281.

Division No. 64

[9.21 pm]

AYES

Abrahams, Debbie  
Ahmed-Sheikh, Ms Tasmina  
Alexander, Heidi  
Arkless, Richard  
Ashworth, Jonathan  
Bailey, Mr Adrian  
Beckett, rh Margaret  
Benn, rh Hilary  
Berger, Luciana  
Betts, Mr Clive  
Black, Mhairi  
Blackman-Woods, Dr Roberta  
Blomfield, Paul  
Bosswell, Philip  
Bradshaw, rh Mr Ben  
Brennan, Kevin  
Brock, Deidre  
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 Gregory  
Champion, Sarah  
Chapman, Douglas  
Chapman, Jenny  
Coaker, Vernon  
Cooper, Julie  
Cooper, rh Yvette  
Cowan, Ronnie  
Coyle, Neil  
Crawley, Angela  
Creagh, Mary  
Creasy, Stella  
Cruddas, Jon  
Cryer, John  
Cummings, Judith  
Cunningham, Alex  
Cunningham, Mr Jim  
Dakin, Nic  

Danczuk, Simon  
David, Wayne  
Davies, Geraint  
Davies, Martyn  
De Piero, Gloria  
Donaldson, rh Sir Jeffrey M.  
Doughty, Stephen  
Dowd, Jim  
Dowd, Peter  
Eagle, Maria  
Edwards, Jonathan  
Efford, Clive  
Elliot, Julie  
Elman, Mrs Louise  
Elmore, Chris  
Esterson, Bill  
Evans, Chris  
Farron, Tim  
Ferrier, Margaret  
Fitzpatrick, Jim  
Fiell, Robert  
Fletcher, Colleen  
Flint, rh Caroline  
Flynn, Paul  
Fovargue, Yvonne  
Foxcroft, Vicky  
Furniss, Gill  
Gapes, Mike  
Gibson, Patricia  
Glass, Pat  
Glindon, Mary  
Grady, Patrick  
Grant, Peter  
Green, Kate  
Greenwood, Margaret  
Griffith, Nia  
Haigh, Louise  
Hanson, rh Mr David  
Harris, Carolyn  
Hayes, Helen  
Hayman, Sue  
Healey, rh John  
Hendrick, Mr Mark  
Hermon, Lady
Baron, Mr John
Barclay, Stephen
Baldwin, Harriett
Argar, Edward
Bacon, Mr Richard
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Reed, Mr Steve
Rees, Christina
Reynolds, Jonathan
Ritchie, Ms Margaret
Robinson, Gavin
Robinson, Mr Geoffrey
Rotheram, Steve
Saville Roberts, Liz
Shannon, Jim
Sharma, Mr Virendra
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Simpson, David
Skinner, Mr Dennis
Slaughter, Andy
Smith, Mr Andrew
Smith, Angela
Smith, Cat
Smith, Jeff
Smith, Nick
Stamer, Keir
Stephens, Chris
Streeting, Wes
Stuart, rh Ms Gisela
Tami, Mark
Thewllis, Alison
Thomas-Symonds, Nick
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Zeichner, Daniel

Tellers for the Ayes:
Owen Thompson and
Marion Fellows

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Bacon, Mr Richard
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Carrtidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishtii, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glynn
Davies, Dr James
Davies, Mims
Dinenage, Caroline
Djungloy, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Dowley-Price, Jackie
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Mr Nigel
Evenneth, rh David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
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, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Hain, rh Robert
Hall, Luke
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Holloway, Mr Philip
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Joseph
James, Margot
Javid, sj Sayid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenrick, Robert
Johnson, rh Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, rh Dr Julian
Liddell-Grainger, Mr lan
Liddington, rh Mr David
Lilley, rh Mr Peter
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
Amendment 44, page 105, line 2, at end insert—

“( ) In section 116 (Welsh Seal and Letters Patent) is amended as follows.

(2) In the heading, for “and Letters Patent” substitute “: Letters Patent and proclamations”.

(3) In subsection (3), at the end insert “and all royal proclamations under section 4(2) and section 5(4), which have passed under the Welsh Seal”.”.

This amendment inserts a paragraph into Schedule 5 of the Bill to allow Orders in Council to be used to make provision about the form, content and publication of proclamations under the provisions inserted by amendments 11 and 12.

Amendment 45, page 108, line 10, at end insert—

“National Audit Act 1983 (c. 44) provisions inserted by amendments 11 and 12.

(2) In subsection (3) omit paragraphs (aa) and (ab).

In subsection (3)(b) omit the words “, Schedule 9 to the National Health Service (Wales) Act 2006”.

(4) Omit subsection (3A).

28B (1) Section 8 of that Act (right to obtain documents and information) is amended as follows.

(2) In subsection (1) omit the words “and except in relation to an examination under section 6 above in respect of the Welsh Ministers or the National Assembly for Wales Commission”. Amendment 45, page 108, line 10, at end insert—

“39A In section 36 of the Electricity Act 1989 (consents required for construction etc of generating stations), after subsection (8) insert—

“(8A) The Welsh Ministers may by regulations make provision about the grant of consents under section 36 or 37 in relation to Welsh waters, including in particular provision about—

Schedule 5

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: 43, page 97, line 4, at the end insert—

“4A (1) Section 116 (Welsh Seal and Letters Patent) is amended as follows.

(2) In the heading, for “and Letters Patent” substitute “: Letters Patent and proclamations”. Amendment 44, page 105, line 2, at end insert—

“National Audit Act 1983 (c. 44) provisions inserted by amendments 11 and 12.

(2) In subsection (3) omit paragraphs (aa) and (ab).

(3) In subsection (3)(b) omit the words “, Schedule 9 to the National Health Service (Wales) Act 2006”.

(4) Omit subsection (3A).

28B (1) Section 8 of that Act (right to obtain documents and information) is amended as follows.

(2) In subsection (1) omit the words “and except in relation to an examination under section 6 above in respect of the Welsh Ministers or the National Assembly for Wales Commission”.

(3) Omit subsections (3), (4) and (5).

28C In section 9 of that Act (reports to House of Commons) omit subsection (2).”.

This amendment inserts a paragraph into Schedule 5 of the Bill to allow Orders in Council to be used to make provision about the form, content and publication of proclamations under the provisions inserted by amendments 11 and 12.

Amendment 44, page 105, line 2, at end insert—

“National Audit Act 1983 (c. 44) provisions inserted by amendments 11 and 12.

(2) In subsection (3) omit paragraphs (aa) and (ab).

(3) In subsection (3)(b) omit the words “, Schedule 9 to the National Health Service (Wales) Act 2006”.

(4) Omit subsection (3A).

28B (1) Section 8 of that Act (right to obtain documents and information) is amended as follows.

(2) In subsection (1) omit the words “and except in relation to an examination under section 6 above in respect of the Welsh Ministers or the National Assembly for Wales Commission”.

(3) Omit subsections (3), (4) and (5).

28C In section 9 of that Act (reports to House of Commons) omit subsection (2).”.

This amendment inserts a paragraph into Schedule 5 of the Bill to allow Orders in Council to be used to make provision about the form, content and publication of proclamations under the provisions inserted by amendments 11 and 12.
(a) the making and withdrawal of applications;
(b) fees;
(c) publicity and consultation requirements;
(d) rights to make representations;
(e) public inquiries;
(f) consideration of applications.”

The paragraph inserted by this amendment gives the Welsh Ministers power to determine the process applicable to applications for their consent under the Electricity Act 1989 - i.e. applications for consent for generating stations in Welsh waters that do not exceed 350 MW.

Amendment 46, page 108, line 21, at end insert—
“40A (1) Schedule 8 to that Act (consents under sections 36 and 37) is amended as follows.

(2) In the heading, after “consents” insert “of the Secretary of State and the Scottish Ministers”.

(3) In paragraph 8 (supplemental), after sub-paragraph (1) insert—
“(1A) In this Schedule references to applications for consent shall not include applications to the Welsh Ministers.”

This amendment is consequential on amendment 45.

Amendment 47, page 108, line 31, at end insert—
“Human Fertilisation and Embryology Act 1990 (c. 37)
41A In section 45A of the Human Fertilisation and Embryology Act 1990 (power to make consequential provision), in subsection (4), for the words from “a Measure” to “an Act of the Assembly”) substitute “an Act of the Assembly.”.

The paragraph inserted by this amendment removes an obsolete reference to Assembly Measures.

Amendment 48, page 108, line 31, at end insert—
“Government of Wales Act 1998 (c. 38)
41B In section 145 of the Government of Wales Act 1998 (examinations into use of resources) omit subsection (6).

41C In Schedule 6 to that Act (Her Majesty’s Chief Inspector of Education and Training in Wales) omit paragraph 9.

Care Standards Act 2000 (c. 14)
41D In Schedule 2 to the Care Standards Act 2000 (the Children’s Commissioner for Wales) omit paragraph 12.”.

The paragraphs inserted by this amendment are consequential on amendment 18.

Amendment 49, page 108, line 31, at end insert—
“Local Government Act 2000 (c. 22)
41E In section 7 of the Local Government Act 2000 (power to modify enactments concerning plans etc: Wales), in subsection (9), for the words after “For the purposes of subsection (8),” substitute “section 108A of the Government of Wales Act 2006 (legislative competence) has effect as if subsection (2)(c) of that section and paragraph 1 of Schedule 7B to that Act were omitted.”

Female Genital Mutilation Act 2003 (c. 31)
41F (1) Section 5C of the Female Genital Mutilation Act 2003 (guidance) is amended as follows.

(2) In subsection (4)(a), for “a body exercising devolved Welsh functions” substitute “a Wales public authority”.

(3) For subsection (5) substitute—
“(5) In subsection (4)(a) “Wales public authority” has the same meaning as in the Government of Wales Act 2006 (see section 157A of that Act).”

The paragraphs inserted by this amendment amend a statutory provision referring to the legislative competence of the Welsh Assembly (to reflect the Government of Wales Act 2006 as amended by the Bill) and substitute a reference to “Wales public authorities” (see clause 4).

Amendment 50, page 108, line 31, at end insert—
“Energy Act 2004 (c. 20)
41G (1) Section 192 of the Energy Act 2004 (powers exercisable by statutory instrument) is amended as follows.

(2) In subsection (1), after “the Secretary of State” insert “, the Welsh Ministers.”

(3) In subsection (2)(a), after “regulations” insert “made by the Secretary of State or the Treasury”.

(4) After subsection (2) insert—
“(2A) Where —
(a) this Act provides for an order or regulations made by the Welsh Ministers to be subject to the negative resolution procedure, and
(b) a draft of the order or regulations has not been required, in accordance with this or any other enactment, to be laid before and approved by a resolution of the National Assembly for Wales,
the statutory instrument containing the order or regulations shall be subject to annulment in pursuance of a resolution of the National Assembly for Wales.”

(5) In subsection (3), for “the power” substitute “a power of the Secretary of State or the Treasury”.

(6) In subsection (4), after “the Secretary of State” insert “, the Welsh Ministers”.

41H In Schedule 16 to that Act (applications and proposals for notices under section 95), in paragraph 9(a), after “the Secretary of State” insert “or the Welsh Ministers”.

The paragraphs inserted by this amendment deal with the negative resolution procedure for regulations etc made by the Welsh Ministers under the modified Energy Act 2004.

Amendment 51, page 108, line 31, at end insert—
“Public Services Ombudsman (Wales) Act 2005 (c. 10)
41I In Schedule 1 to the Public Services Ombudsman (Wales) Act 2005 (appointment etc) omit paragraph 20.

Commissioner for Older People (Wales) Act 2006 (c. 30)
41J In Schedule 1 to the Commissioner for Older People (Wales) Act 2006 (the Commissioner) omit paragraph 14.”.

The paragraphs inserted by this amendment are consequential on amendment 18.

Amendment 52, page 108, line 31, at end insert—
“Legislative and Regulatory Reform Act 2006 (c. 51)
41K (1) Section 24 of the Legislative and Regulatory Reform Act 2006 (functions to which sections 21 and 22 apply) is amended as follows.

(2) Omit the definition of “Welsh regulatory function” in subsection (10).

(3) After that subsection insert—
“(11) For the purposes of this section a regulatory function is a “Welsh regulatory function” if or to the extent that it is exercisable in relation to Wales and is a function which—
(a) could be conferred by provision falling within the legislative competence of the National Assembly for Wales (see section 108A of the Government of Wales Act 2006), or
(b) relates to matters in respect of which functions are exercisable by the Welsh Ministers.”

41L In section 27 of that Act (power to make orders, rules and schemes), in subsection (6), for paragraph (c) substitute—
“(c) so far as they are powers that—
(i) could be conferred by provision falling within the legislative competence of the National Assembly for Wales, or
(ii) are exercisable in relation to matters in respect of which functions are exercisable by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Government, shall also be exercisable by the Welsh Ministers.”

Statistics and Registration Service Act 2007 (c. 18)
41M In section 66 of the Statistics and Registration Service Act 2007 (devolved statistics), for subsection (3) substitute—
“(3) In this Part “Welsh devolved statistics” means statistics which relate to the exercise of functions by a Wales public authority (within the meaning given by section 157A of the Government of Wales Act 2006), other than statistics produced by a person acting on behalf of—

(a) the Crown, or
(b) a public authority,

in the exercise of functions that could not be conferred by provision falling within the legislative competence of the National Assembly for Wales (see section 108A of that Act).”

Consumers, Estate Agents and Redress Act 2007 (c. 17)

41N In section 37 of the Consumers, Estate Agents and Redress Act 2007 (extension of the functions of Citizens Advice etc), in subsection (5), for the words from “a Measure” to “an Act of the Assembly”) substitute “an Act of the Assembly”.

Regulatory Enforcement and Sanctions Act 2008 (c. 13)

41O In section 74 of the Regulatory Enforcement and Sanctions Act 2008 (general interpretation), in paragraph (a) of the definition of “devolved Welsh matter”, for “section 108A” substitute “section 108A”.

Human Fertilisation and Embryology Act 2008 (c. 22)

41P In section 64 of the Human Fertilisation and Embryology Act 2008 (power to make consequential and transitional provision etc), in subsection (6), for the words from “a Measure” to “an Act of the Assembly”) substitute “an Act of the Assembly”.

Climate Change Act 2008 (c. 27)

41Q In section 70 of the Climate Change Act 2008 (interpretation), in subsections (4)(b) and (6)(b), for “relating to matters within” substitute “capable of being conferred by provision falling within”.

The new paragraphs inserted by this amendment amend statutory provisions referring to the legislative competence of the Welsh Assembly (to reflect the Government of Wales Act 2006 as amended by the Bill) and remove obsolete references to Assembly Measures.

Amendment 53, page 108, line 31, at end insert—

“(Planning Act 2008 (c. 29))

41R In section 149A of the Planning Act 2008 (deemed consent under a marine licence), in subsection (3)(b), after “the Secretary of State” insert “or the Welsh Ministers”.

41S Omit section 202 of that Act (powers of National Assembly for Wales).

41T In Schedule 5 to that Act (provision relating to, or to matters ancillary to, development), in paragraphs 30A and 30B, after “the Secretary of State” insert “or the Welsh Ministers”.

Section 202 of the Planning Act 2008 is repealed by this amendment because it amends a provision that has itself been repealed. The other two amendments are consequential on the fact that the Welsh Ministers will be able to issue marine licences in Welsh waters beyond the territorial sea.

Amendment 54, page 108, line 38, at end insert—

“(3) In section 13 of that Act (safety zones: functions under section 95 of the Energy Act 2004), in subsection (3)—

(a) in paragraph (a) omit “or”;
(b) after paragraph (b) insert—

“(c) any area of the Welsh inshore region, or
(d) any area of the Welsh offshore region.”

The paragraph inserted by this amendment amends section 13 of the Marine and Coastal Access Act 2009 as paragraph 42 amends section 12.

Amendment 55, page 108, line 38, at end insert—

“(4) In section 60 of that Act (meaning of “retained functions” etc), in subsection (4), in paragraph (c) of the definition of “secondary devolved Welsh functions”, for “relating to matters within” substitute “they are capable of being conferred by provision falling within”.

The paragraph inserted by this amendment amends a statutory provision referring to the legislative competence of the Welsh Assembly (to reflect the Government of Wales Act 2006 as amended by the Bill).

Amendment 56, page 108, line 38, at end insert—

“(5) Section 78 of that Act (special procedure for applications relating to harbour works) is amended as follows.

(2) In subsection (5), after “subsection (6)(c) or (d)” insert “or (6A)(b)”.

(3) In subsection (6), at the beginning insert “Subject to subsection (6B)”.

(4) After that subsection insert—

“(6A) The Welsh Ministers may by regulations—

(a) make provision falling within subsection (7) for cases where—

(i) the Welsh Ministers are both the marine licence authority and the harbour order authority, and
(ii) they have decided that the two applications are to be considered together and have given notice of that decision to the applicant;

(b) make provision falling within subsection (7) or (8) for cases where—

(i) the Welsh Ministers are both the marine licence authority and the harbour order authority, and
(ii) they have concluded that one of the applications is not going to be made.

(6B) The Secretary of State may not make provision under this section for cases where the Welsh Ministers are both the marine licence authority and the harbour order authority.”

46 (1) Section 79 of that Act (special procedure for applications relating to certain electricity works) is amended as follows.

(2) In subsection (5), after “subsection (6)(c) or (d)” insert “or (6A)(b)”.

(3) In subsection (6), at the beginning insert “Subject to subsection (6B)”.

(4) After that subsection insert—

“(6A) The Welsh Ministers may by regulations—

(a) make provision falling within subsection (7) for cases where—

(i) the Welsh Ministers are both the marine licence authority and the generating station authority, and
(ii) they have decided that the two applications are to be considered together and have given notice of that decision to the applicant;

(b) make provision falling within subsection (7) or (8) for cases where—

(i) the Welsh Ministers are both the marine licence authority and the generating station authority, and
(ii) they have concluded that one of the applications is not going to be made.

(6B) The Secretary of State may not make provision under this section for cases where the Welsh Ministers are both the marine licence authority and the generating station authority.”

5 In subsection (9), in the definition of “generating station authority”, at the end insert—

“(c) the Welsh Ministers, in any case where the generating station application falls (or would fall) to be determined by the Welsh Ministers.”

This amendment gives the Welsh Ministers powers to make provision about the application procedure to be followed in circumstances where they are both the marine licence authority and the harbour order authority or generating station authority.

Amendment 57, page 108, line 38, at end insert—

“(Welfare Reform Act 2009 (c. 24))

47 In section 45 of the Welfare Reform Act 2009 (the appropriate authority by which regulations under section 41 are made), in subsection (2)(b), for the words from “a Measure” to “an Act of the Assembly”) substitute “an Act of the Assembly”.

Wales Bill
Equality Act 2010 (c. 15)

48 (1) Section 2 of the Equality Act 2010 (power to amend section 1) is amended as follows.

(2) In subsection (6), for the words from “an authority” to “correspond” substitute “a Wales public authority (within the meaning given by section 157A of the Government of Wales Act 2006) whose functions correspond”.

(3) In subsection (11) omit paragraph (b).

49 (1) Section 157 of that Act (interpretation) is amended as follows.

(2) For subsection (2) substitute—

“(2) A relevant Welsh authority is a Wales public authority (within the meaning given by section 157A of the Government of Wales Act 2006) other than the Assembly Commission.”

(3) For subsection (5) substitute—

“(5) A function is a devolved Welsh function if—

(a) it relates to a matter in respect of which functions are exercisable by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Government, or

(b) provision conferring the function would be within the legislative competence of the National Assembly for Wales.”

Flood and Water Management Act 2010 (c. 29)

50 In section 28 of the Flood and Water Management Act 2010 (power to make further amendments), in subsection (3), for paragraph (a) substitute—

“(a) the Welsh Ministers, where the amendment—

(i) relates to a matter in respect of which functions may be exercised by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Government, or

(ii) would be within the legislative competence of the National Assembly for Wales if contained in an Act of the Assembly, and”.

Budget Responsibility and National Audit Act 2011 (c. 4)

51 In Schedule 5 to the Budget Responsibility and National Audit Act 2011 (consequential amendments relating to Part 2) omit paragraphs 26 to 28.

52 Omit Schedule 6 to that Act (amendments of Schedules 5 and 7 to the Government of Wales Act 2006).

Police Reform and Social Responsibility Act 2011 (c. 13)

53 In Schedule 16 to the Police Reform and Social Responsibility Act 2011 (minor and consequential amendments) omit paragraph 353.

Localism Act 2011 (c. 20)

54 In section 51 of the Localism Act 2011 (meaning of “public authority” and related terms), in subsection (6)(c), for “section 108” substitute “section 108A”.

55 In section 61 of that Act (meaning of “Welsh public authority” and related terms), in subsection (4), for “section 108” substitute “section 108A”.

56 In Schedule 13 to that Act (Infrastructure Planning Commission; transfer of functions to Secretary of State) omit paragraph 79.

Protection of Freedoms Act 2012 (c. 9)

57 In Schedule 3 to the Protection of Freedoms Act 2012 (corresponding code of practice for Welsh devolved powers of entry), in paragraph 1(1), for the words after paragraph (a) substitute—

“(b) associated powers.

The code may only contain provision that would be within the legislative competence of the National Assembly for Wales if contained in an Act of the Assembly.”

Energy Act 2013 (c. 32)

58 In Schedule 12 to the Energy Act 2013 (minor and consequential amendments) omit paragraph 90.

Public Audit (Wales) Act 2013 (anaw 3)

59 In Schedule 4 to the Public Audit (Wales) Act 2013 (minor and consequential amendments) omit paragraph 78.

Anti-social Behaviour, Crime and Policing Act 2014 (c. 12)

60 In Schedule 11 to the Anti-social Behaviour, Crime and Policing Act 2014 (minor and consequential amendments) omit paragraph 43.

Water Act 2014 (c. 21)

61 In Schedule 7 to the Water Act 2014 (further amendments) omit paragraph 135.

Wales Act 2014 (c. 29)

62 In section 6 of the Wales Act 2014 (taxation: introductory) omit subsections (3) and (7) to (9).

63 In section 7 of that Act (amendments relating to the Commissioners for Revenue and Customs) omit subsection (14).

64 Omit section 22 of that Act (budgetary procedures).

Counter-Terrorism and Security Act 2015 (c. 6)

65 In section 29 of the Counter-Terrorism and Security Act 2015 (power to give directions: general), in subsection (3), for “a Welsh authority” substitute “a Wales public authority”.

66 In section 30 of that Act (power to give directions: general), in subsection (3), for “a Welsh authority” substitute “a Wales public authority”.

67 (1) Section 35 of that Act (Chapter 1: interpretation), is amended as follows.

(2) For subsection (4) substitute—

“(4) “Wales public authority” has the same meaning as in the Government of Wales Act 2006 (see section 157A of that Act).”

(3) For subsection (5) substitute—

“(5) A function is a “devolved Welsh function” if—

(a) it relates to a matter in respect of which functions are exercisable by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Government, or

(b) provision conferring the function would be within the legislative competence of the National Assembly for Wales.”

Deregulation Act 2015 (c. 20)

68 (1) Section 109 of the Deregulation Act 2015 (functions to which section 108 of that Act applies) is amended as follows.

(2) In subsection (3)(c), for “relates to matters which are devolved Welsh matters” substitute “could be conferred by provision falling within the legislative competence of the National Assembly for Wales”.

(3) In subsection (6) omit the definition of “devolved Welsh matter”.

Small Business, Enterprise and Employment Act 2015 (c. 26)

69 In section 18 of the Small Business, Enterprise and Employment Act 2015 (power to specify regulatory functions), in subsection (5)(c), for “section 108” substitute “section 108A”.

70 In section 22 of that Act (meaning of “qualifying regulatory provisions etc”) in subsection (7)(c), for “section 108” substitute “section 108A”.

71 In section 39 of that Act (regulations about procurement), in subsection (4)—

(a) after “if” insert “it is a Wales public authority (within the meaning given by section 157A of the Government of Wales Act 2006) or if”;

(b) in paragraph (b) omit “or”;

(c) omit paragraph (c).

72 (1) Section 153C of that Act (power to relax restriction on public sector exit payments) is amended as follows.

(2) In subsections (5)(b), (8)(a) and (8)(b), for “relevant Welsh authority” substitute “Wales public authority”.

(3) In subsection (9), for the definition of “relevant Welsh authority” substitute—
“Wales public authority” has the same meaning as in the Government of Wales Act 2006 (see section 157A of that Act).”

73 In section 157 of that Act (power of Secretary of State to waive repayment requirement), in subsection (6)(b), for the words after “responsible authorities who” substitute “are Wales public authorities within the meaning given by section 157A of the Government of Wales Act 2006”.

Housing and Planning Act 2016 (c. 22)
74 (1) Section 207 of the Housing and Planning Act 2016 (engagement with public authorities in relation to proposals to dispose of land) is amended as follows.
(2) In subsection (6)—
(a) omit “or” at the end of paragraph (a);
(b) omit paragraph (b).
(3) After that subsection insert—
“(6A) Regulations under subsection (3) may not be made so to require a Wales public authority to carry out engagement under subsection (2).”
(4) In subsection (7), at end insert—
“(6B) “Wales public authority” has the same meaning as in the Government of Wales Act 2006 (see section 157A of that Act).”

75 (1) Section 208 of that Act (duty of public authorities to prepare report of surplus land holdings) is amended as follows.
(2) For subsection (10) substitute—
“(10) Regulations may not specify a Wales public authority for the purposes of subsection (1).”
(3) In subsection (12), at the end insert—
“(12) “Wales public authority” has the same meaning as in the Government of Wales Act 2006 (see section 157A of that Act).”

Immigration Act 2016 (c. 19)
76 In section 78 of the Immigration Act 2016 (meaning of “public authority”), in subsection (5), for “functions relate to a matter which is outside” substitute “functions are functions that could not be conferred by provision falling within”. —[Alun Cairns.]
The new paragraphs inserted by this amendment remove an obsolete reference to Assembly Measures; substitute references to “Wales public authorities” (see clause 4); amend statutory provisions referring to the legislative competence of the Welsh Assembly (to reflect the Government of Wales Act 2006 as amended by the Bill); and remove provisions amending enactments repealed by the Bill.

Schedule 6
TRANITIONAL PROVISIONS
Amendments made: 58, page 110, line 32, leave out sub-paragraph (1) and insert—
“(1) The amendments made by sections 36 to 38 and paragraphs 39A and 40A of Schedule 5 do not apply in relation to the determination of an application that is made before the date on which section 36 of this Act comes into force.
(1A) For the purposes of paragraph (1)—
(a) an application under section 37 of the Planning Act 2008 is not made until its acceptance has been notified to the applicant under section 55 of that Act;
(b) an application under section 36 of the Electricity Act 1989 is not made until the requirements of paragraph 1(1) of Schedule 8 to that Act (as modified by paragraph 7A(3) of that Schedule) are met;
(c) an application under section 36C of the Electricity Act 1989 is not made until the appropriate authority (as defined in section 36C(6)) has given notice under regulation 4(6) of the Electricity Generating Stations (Variation of Consent) (England and Wales) Regulations 2013 (S.I. 2013/648).”

This amendment creates a transitional period so that the Secretary of State will be responsible for pre-commencement applications for consent to build and operate generating stations, for declarations and for variations of existing consents under the Planning Act 2008 or the Electricity Act 1989.

Amendment 59, page 111, line 42, at end insert—
“Safety zones around renewable energy installations
10 The amendments made by section (Safety zones around renewable energy installations) do not apply in relation to the determination of an application made under section 95(3)(a) of the Energy Act 2004 that is made before the date on which section (Safety zones around renewable energy installations) of this Act comes into force.
11 For the purposes of paragraph 10 an application is not made until the requirements of paragraph 3 of Schedule 16 to the Energy Act 2004 are met, including the supply of any information prescribed by regulations made under paragraph 3(2)(b) of that Schedule.” —[Alun Cairns.]

This amendment creates a transitional period so that the Marine Management Organisation will continue to be responsible for pre-commencement applications for the creation of safety zones under section 95 of the Energy Act 2004.

Third Reading
9.33 pm
Alun Cairns: I beg to move, That the Bill be now read the Third time.

I start by thanking right hon. and hon. Members for their participation in our debates as the Bill has passed through the House. The scrutiny has been robust, and the Bill will be in a much better place as it arrives in the other place. The number of positive and constructive amendments that have been agreed today stand as testimony to that scrutiny. I thank my officials and those in other Departments in Whitehall for their contributions and support.

I thank the First Minister and the Presiding Officer in the Assembly for their continued constructive engagement in the process. Our discussions have run alongside those which have taken place in Parliament and have resulted in the Bill being amended to address concerns that they raised. I will continue to work with the First Minister to ensure his full support for the Bill, and to enable the Welsh Government to bring forward a legislative consent motion as early as possible to secure the Assembly’s agreement to the Bill.

The Bill has its origins in the work that was conducted by the commission on devolution in Wales, chaired by Sir Paul Silk. Its second report, published in 2014, was significant in setting the course for a clearer, stronger and more stable devolution settlement for Wales. I pay tribute to Sir Paul and the members of the commission for their work.

I thank my predecessors as Secretary of State, including my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan) for her work to establish the commission, and my right hon. Friend the Member for Clwyd West (Mr Jones) for taking forward the recommendations of the commission’s first report through to the Wales Act 2014, and for overseeing the second stage of the commission’s work. The St David’s Day process was taken forward by my right hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb), whose contribution to the Bill was also significant. He sought to identify the recommendations of the Silk
commission’s report which there was a cross-party consensus to implement. The Government committed to implementing the agreement in full.

I also give thanks to my hon. Friend the Member for Monmouth (David T. C. Davies), the Chairman of the Welsh Affairs Committee, and the members of the Committee for their scrutiny of the draft Bill published last year. The Bill before us today is stronger as a result of the Committee’s work. I extend my appreciation to the Assembly’s Constitutional and Legislative Affairs Committee for its scrutiny of the draft Bill.

The Bill meets the commitments in the St David’s Day agreement. It delivers a devolution settlement for Wales that is clearer, fairer and stronger, and it delivers powers for a purpose. It delivers a historic package of powers to the National Assembly that will transform it into a fully fledged Welsh legislature, affirmed as a permanent part of the United Kingdom’s constitutional fabric, enhancing and clarifying the considerable powers it currently has. The Assembly is accountable to the people of Wales, with powers over taxes that will make it responsible not only for how money is spent in Wales, but for how it is raised. The Bill devolves further powers that will enable the Welsh Government to make a real difference on the things that matter to the people of Wales. The Assembly will be able to decide on, for example, the planning regime for major strategic energy projects, and whether fracking should take place.

The Bill introduces a reserved powers model that addresses the glaring deficiencies in the current settlement and establishes a clear line between those subjects that are devolved to the Assembly and those that are the responsibility of the UK Parliament. Simply, anything not reserved to Parliament is devolved to the Assembly. That provides clarity for anyone living or working in Wales not only on who is responsible for what policy and who should claim credit for the right policy decisions, but on who is accountable for policies that do not deliver as promised. As the Bill has moved through the House, our debates have focused on ensuring that that devolution boundary is the right one and that the reservations are appropriate.

I am sure hon. Members will recognise that the Bill has come a long way from the one that was published in draft form just over a year ago. The list of reservations is shorter and more succinct, with a clearer rationale for the Assembly’s work. I extend my appreciation to the Assembly’s Constitutional and Legislative Affairs Committee for their scrutiny of the draft Bill.

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I am sure hon. Members will recognise that the Bill has come a long way from the one that was published in draft form just over a year ago. The list of reservations is shorter and more succinct, with a clearer rationale for the inclusion of each. Importantly, the Assembly will be able to create offences to enforce its legislation. We are also fully committed to maintaining the single legal jurisdiction that has served Wales so well. Assembly legislation can be accommodated within the single jurisdiction of England and Wales.

As part of the clearer boundary of devolved and reserved matters established in the Bill, the Bill draws a clear line between those public bodies that are the responsibility of Welsh Ministers and the Assembly, and those that are the responsibility of the UK Government and Parliament. The Bill provides clarity on who is responsible for which authority.

In conclusion, the powers in the Bill together usher in a new era of devolution to Wales: one which draws a line under the constant squabbles over where powers lie; one in which it is clear who should be held to account for the decisions on public services that people use every day; and one in which the Welsh Government are truly accountable to the people of Wales. A manifesto commitment has been delivered that will lead to a stable devolution within a strong United Kingdom. I commend the Bill to the House.

9.40 pm

Paul Flynn: Constitutional change in Wales moves at a measured pace. It is 800 years since Wales last had the power to raise taxes. The Bill gives new dignity to our Parliament. For the first time in centuries, we have our own Parliament on the soil of our own country.

I would like to associate myself with the thanks offered by the Secretary of State for Wales. I thank my friends on the Opposition Benches from all parties, especially my hon. Friends the Members for Swansea East (Carolyn Harris) and for Newport East (Jessica Morden), who have been my constant companions. I find it something of an astonishment that I am here on the Bill; a lot has happened since First Reading. In spite of the little difficulties we may have had, the opposition presented by my hon. Friends on the Labour Benches has been robust and clear.

The Bill is, of course, a stage; it is not an ending or a full stop. We would like to go full speed ahead with the development of a separate Welsh Government with at least the powers of Scotland. That is not possible because there is a drag anchor coming from the Conservative party. I wish they would pull their anchor up and let the good ship Welsh Assembly sail free into clear waters. I am sure there are many on the Government Benches who think that the development of tax-raising powers in 800 years is a little too rushed, but we are going ahead now with the Parliament for Wales. It is not a means in itself and it is not there to build and institution or create politicians; it is there as the means to the end of creating laws that benefit the Welsh people and have that Welsh personality.

We do not claim to be superior to anyone else or any nation, but we do have a tradition of a compassion in society, of a kindness, of a subtlety, of a cleverness that is unique to the Welsh nation. It is there in its clearest forms in our arts and poetry. I was delighted, coming in today, to witness its continued flowering. A young woman I had never heard of before, Kizzy Crawford from Merthyr Tydfil, sang beautifully on the radio this morning. She does not just sing in English. She said, “It is much better when I do it in Welsh. I can say things in Welsh that I can’t say in English.”

The great Hungarian littérateur István Széchenyi asked: where is the nation? If we are looking for the personality of the nation, where is it? He said, “A nation lives in her language”—Mae cenedl yn byw yn ei haith. That is of great importance. What is so precious to us is the wisdom of our 1,000-year language: the subtlety and the humour that has come to us echoing down the centuries. It is our most precious gift, one that is treasured and practised in the Welsh Assembly.

If I can pray your indulgence, Mr Speaker, I would like to say a few words in the language of heaven. It is a poem that celebrates the permanence of Wales, its language and spirit:

“Aros mae’r mynyddau mawr,
Rhuo trostynt mae’r gwyn;[1]
Clywir eto gyda’r wa wr
G’n bugaeliaid megys cynt.
The Bill has taken into account many of the concerns that were raised during the pre-legislative scrutiny of the Welsh Affairs Committee. It is a far sight better than what we had previously, and I commend the Government for listening. As the hon. Member for Newport West (Paul Flynn) has said, however, we must not be misled into believing that the Bill provides the answer to all of Wales’s governance questions, because clearly it does not. It leaves open many questions, not least the problems of jurisdiction and the growing divergence between English and Welsh law, along with the issues of devolving policing and of youth justice.

Let me repeat what I said earlier about the issue of a separate or distinct legal jurisdiction. I do not favour and never have favoured a separate one, but the current system will sooner or later require substantial reform to cope with the growing divergence of English and Welsh law. There is an inevitability about that; the Government need to be mindful of it. They are partly mindful of it, as seen through their creation of the joint working group. That is a step in the right direction, too, but I suspect that we will return to these issues in the years to come. The Bill does not go far enough, but it is a step in the right direction.

I believe that the Bill will have a positive impact on the governance of Wales. It will provide greater accountability, greater clarity and a greater say over Welsh affairs to the people of Wales. I have said this before, but there was a party political broadcast in 1951, conducted by the then deputy leader of the Liberal party, Lady Megan Lloyd George. It was a UK broadcast, but she ended up saying “Home Rule for Wales” in Welsh: “Hunanlywodraeth i Gymru”. Many people in Wales understood what that meant. Many people had the aspiration. We are not yet there. I am not going to dismiss this Bill as a missed opportunity, but there are still many opportunities to be taken advantage of if Wales is to achieve home rule in the future.

Wayne David: Like other Members, I recognise that the Bill is a huge improvement on the Bill that the Government introduced a few months ago. During its passage, the significance of clause 1 may not have been emphasised enough. The clause states:

“The Assembly and the Welsh Government are a permanent part of the United Kingdom’s constitutional arrangements.”

I know that some constitutional experts have said that that statement is more apparent than real, because one Parliament cannot bind another, but I consider it to be an important and, indeed, unprecedented declaration of confidence in the Assembly and its Government.

I also recognise that the Bill takes us forward by moving from a conferred-powers to a reserved-powers model. The list of reserved powers is shorter and clearer than the list in the draft Bill. The new definition of “Wales public authority” is, I understand, a good definition. There are also clear provisions for cross-border bodies to have legislation and to be dealt with appropriately.

However, although the Bill constitutes a step forward and, hopefully, there will be fewer legal wrangles than there have been in the past, there is still a possibility of disputes. In Scotland, for example, there have been disputes over its reserved-powers model. There have been disputes about legislation that the Scottish Government
have wanted to introduce in relation to adults and juveniles, and there has been controversy about legislation to replace council tax with a local income tax. A few years ago, there was a famous controversy over the Antarctic, which, apparently, was omitted from the list of reserved powers held by central Government. The Foreign Office went on to issue permits, but there was a distinct possibility of a legal challenge, because it seemed that, technically, it was acting illegally. The situation was only rectified when retrospective legislation was introduced in 1998. So we should not just blandly assume that there will be no legal problems. There may be some, although I hope that there will be far fewer than there have been in the recent past.

As has been pointed out by a number of experts in the constitutional unit, future disputes could have been avoided if a clear set of principles had been articulated in the Bill. I recently read an article by Alan Cogbill, who was director of the Wales Office between 2005 and 2009. He wrote:

“Articulated principles could help avert disputes. They would give the courts, if called on to adjudicate on legislative and executive powers...a basis from which to infer parliament’s intentions, instead of being called on to address what are properly political judgments.”

Unfortunately, the Bill does not do that.

I suggest, however, that this is not the end of the debate. Like other Members, I see devolution very much as a process. I hope that that issue, in particular, will be returned to in the not-too-distant future so that we can benefit from even greater clarity. I also hope that in the not-too-distant future we will not just consider devolution for Wales, Scotland and Northern Ireland, but consider it as a principle that is applicable to all parts of the United Kingdom, albeit in different ways, and I believe that the Bill will take us forward towards that goal.

9.54 pm

Hywel Williams: Let me begin by thanking our Bill team and our support staff for their excellent help in formulating our position. I thank Heledd Brooks-Jones, Ben O’Keefe, Rhian Meddi Roberts and Osian Lewis. I also thank the large number of people in Wales, and not only Plaid members but people who are entirely impartial, who have been very generous with their advice and time. I also thank the Clerks, who have been unfailing in their courtesy and expert advice, and right hon. and hon. Members on both sides of the House. We have had a good debate and most of the time it has been extremely courteous and respectful, not least from myself of course. Lastly, I thank you, Mr Speaker, and your colleagues for expertly steering us through our discussions.

When the Wales Bill was reannounced in the Queen’s Speech, it was described as being intended as a strong and lasting devolution settlement for Wales. As it stands, the settlement presented to the House today in the Wales Bill is neither strong nor, I am afraid, likely to be lasting. My colleagues and I tabled carefully considered amendments in Committee and on Report, which would have substantially strengthened the Bill and have secured a fairer and more robust devolution package. Some of those amendments were compromises on our part for the sake of progressing the devolution agenda. Quite logically, we have always argued that the cross-party Silk recommendations need to be realised as a bare minimum. I am afraid the Government have not succeeded in doing that and have been open to accusations of cherry-picking its recommendations as and when it suits them.

I say “bare minimum” because Silk is rapidly becoming out of date anyway. The powers devolved to Scotland in the Scotland Act 2016 have to a large extent superseded Silk, and while the Government are granting incentivising powers to Holyrood, Wales is left lacking in accountability and without the necessary levers over our economy. The biggest external impact on Wales is the constitutional settlement. However, there will of course be Brexit. I would argue that this Wales Bill was almost redundant from the day the people of the UK were persuaded by the chimera of absolute sovereignty, a massive diversion of Government spending and above all drastic cuts to immigration. When the people decided to leave the EU, they largely voted to gain control. That is what we heard—“Give us our country back. We want control.” It is only logical to demand that this appetite for increased accountability and transparency is replicated in the debates surrounding devolution to Wales.

As the Department for Exiting the European Union struggles and starts to untangle the mountain of legislation tied to EU laws and directives, decisions will have to be made about the repatriation of powers. The Government must not use Brexit as a power-grabbing exercise. Powers repatriated to the UK must be devolved to Wales and the Barnett formula must be revised to reflect adequately the changing nature of devolution. We are in a period of great economic uncertainty and Wales needs to renew its fiscal levers to be able to grasp the problem, to close the prosperity gap which already exists and to ensure that the instability of Brexit does not impact on the jobs and livelihoods of people in Wales.

Announcements on the boundary review are imminent—some of us will have had a sneak preview today—and the number of MPs from Wales is likely to be significantly reduced. This also must surely lead to greater responsibility and power being transferred to the National Assembly. This Wales Bill does not sufficiently address the democratic deficit we are likely to face.

This Bill has been rushed—perhaps “rushed” is too strong a word, but it has been brought through Parliament, in the end, rather quickly. It appears from our side at least to be something of a pig’s ear—unsatisfactory. It has been criticised by others as well. The leading academic Richard Wyn Jones from the Wales Governance Centre used, in that wonderful academic way, the damning word “patronising”, which holds a wealth of meaning.

It seems to have become an established pattern for successive Secretaries of State to claim to be legislating for a generation, only to see their handiwork substantially revised within four or five years. It looks as if this Bill will most definitely be revised, and possibly much sooner than in four or five years. Circumstances have changed. The main Opposition—with concerns of their own internal strife, unfortunately—have at times been absent during the scrutiny of the Bill. The exception of course is the hon. Member for Newport West (Paul Flynn), and I pay warm tribute to his efforts to ensure that the Bill received the proper scrutiny. However, half-hearted and confused calls from the Welsh Labour Government for further powers have fallen largely on deaf ears here in London. It has been Plaid Cymru’s fate to try to defend our best interests and to demand a truly robust
devolution settlement that will determine our course for decades to come, but I am afraid that we are still waiting for that final settlement.

The hon. Member for Newport West quoted “Alun Mabon”, the heroic poem by John Ceiriog Hughes, the superstar of Welsh poetry in the Victorian era. It repays close study by those of us who speak Welsh. I am not trying to trump the hon. Gentleman, but I would like to add to the point he was making about the Welsh language by expressing the passionate feelings that I have about it. I thought I would quote the French writer, Alphonse Daudet, who also lived in the 19th century. He wrote a short story not long after the Franco-Prussian war, when Alsace had been invaded and its culture had been changed. The only translation I have is the Welsh one:

“Pan syth pobl yn gaethion, cyhyd ag y cadwant eu hiaith y mae fel pe daent allwedd eu echar.”

This translates as “When the people fall into captivity, so long as they keep their language it is as if they hold the key to their prison.”

10.1 pm

Stephen Doughty: I do not quite share the despondency of the hon. Member for Arfon (Hywel Williams) about the state of the Bill and the devolution settlement, but I agreed with a number of the points he made and it is always a pleasure to listen to him speak.

I did not have the pleasure of serving on the Committee, but I have enjoyed taking part in the debates and scrutinising the Bill in the Chamber, especially on Report. I share other Members’ scepticism about whether this is really the final settlement. I think the Secretary of State and the Minister slightly over-egg the pudding when they suggested that this would be the end of the matter.

We have seen Bill after Bill and change after change during this process, and while I am a firm supporter of devolution and of the innovation and positive differences it has brought to the people of Wales, in the end they will judge the devolution settlement by the impact it has on their lives. They will judge it, for example, according to whether there is fragmentation and confusion around cross-border services, financial arrangements or the interoperability of services across the border, particularly given the geographical proximity of Wales to England. For the populations involved, our situation is slightly different from that of Scotland.

I believe, as do the First Minister and many other colleagues, that the devolution process is not finished. We need a proper constitutional convention that looks not only at the settlement of powers but at funding arrangements and at how we resolve disputes in these islands. This is particularly important as we look at the question of devolution in England as well. We could end up with a completely asymmetric devolution settlement across the UK that would be cumbersome and unworkable. I do not want to see disputes being resolved in the Supreme Court or getting lost amid technical details because the issues are far too complex. We have seen that happen in relation to many individual issues. I remember the Welsh Affairs Committee looking at the provision of NHS services across the border and, rightly or wrongly, there is increasing confusion for patients travelling across, whether in relation to funding arrangements, records or other issues. In the end, the people of Wales—and the people of the United Kingdom—will judge devolution and the constitutional changes by applying these tests. Does this make things better for us? Do we feel more engaged? Do we understand what is going on?

We need to bear this in mind particularly as we deal with the atmosphere of the post-Brexit referendum. The Bill has many positive aspects, including the move to a reserved powers model and the devolution of powers in many areas. These are positive steps forward, but it would be a great tragedy if we were to give those new powers and responsibilities to Wales only to see the people and the Government of Wales emasculated in the Brexit negotiations. It has been suggested in some quarters, for example, that there will be no reference to decisions taken in the Welsh Assembly or to Welsh Government Ministers in what will be the most crucial constitutional negotiations this country has faced in decades. It would be perverse if powers were to be given with one hand while Wales’s future in many respects was taken away with another, whether in negotiations on agriculture or fisheries or in future trade deals.

Unless we get the balance right for the role that devolved Governments and legislatures play in the process, we will make some serious mistakes.

I want to reiterate some of my previous points. We need fundamentally to reconsider the representation of the people of Wales. The boundary reforms are not being done fairly. There is the difference between the electoral register lists that the Boundary Commission have with worked with and registration levels for the European Union referendum, the fact that we continue to stack the House of Lords higher and higher while significantly cutting the number of Welsh MPs, and the lack of clarity about the future number of Assembly Members—potentially huge problems. I would like to see the House of Lords completely reformed with a strong regional and national element representing a new constitutional—and ultimately federal—settlement.

That is how we can ensure the coherence of this United Kingdom and our constitution and ensure an understanding of how we can work together with difference, innovation and the special situation that devolution has delivered for the people of Wales.

I am pleased that the Bill is going forward, but this is not the end. Ultimately, the people of Wales will judge it on whether it makes things better for them and on whether they feel more engaged in the decisions that affect their lives.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

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

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft National Minimum Wage (Amendment) (No. 2) Regulations 2016, which were laid before this House on 4 July, be approved.—(Chris Heaton-Harris.)

Question agreed to.
BUSINESS OF THE HOUSE (14 SEPTEMBER)
Ordered,
That at the sitting on Wednesday 14 September paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motion in the name of Jeremy Corbyn as if the day were an Opposition Day; proceedings on the Motion may continue, though opposed, for three hours and shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—(Mr David Lidington.)

ENVIRONMENTAL AUDIT COMMITTEE
Ordered,
That Carolyn Harris be discharged from the Environmental Audit Committee and Dr Alan Whitehead be added.—(Bill Wiggin, on behalf of the Committee of Selection.)

PUBLIC ACCOUNTS COMMITTEE
Ordered,
That Deidre Brock be discharged from the Public Accounts Committee and Philip Boswell be added.—(Bill Wiggin, on behalf of the Committee of Selection.)

PETITION
The Royal Sutton Coldfield Green Belt
10.8 pm
Mr Andrew Mitchell (Sutton Coldfield) (Con): I have the honour to present a petition, signed by 11,489 residents of the royal town of Sutton Coldfield, against the proposals of Labour-controlled Birmingham City Council to build 6,000 homes across our green belt.

The petition states:

The Humble Petition of citizens of the Royal Town of Sutton Coldfield,

Sheweth,

That the proposal to build 6,000 homes on the Green Belt that surrounds the Royal Town of Sutton Coldfield should not proceed while accepting that significant new housing should be built in more appropriate places.

Wherefore your Petitioners pray that your Honourable House considers this proposal and lays it aside.

And your Petitioners, as in duty bound, will ever pray.

[P001707]

Govia Thameslink Rail Service
Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris.)

10.9 pm
Henry Smith (Crawley) (Con): I am here this evening on behalf of constituents who continue to suffer unacceptable delays and cancelled services when simply trying to travel on the Govia Thameslink Railway network. Many, across the network, suffer daily difficulties getting to work, with some employees now facing disciplinary action, and others missing precious family time in the evenings, because they are stuck on platforms. As a daily commuter to London, I know this all too well; this has been the case for almost 12 months now.

I thank right hon. and hon. Members from all parts of the House for their attendance at this hour. I also express my gratitude to the new rail Minister and publicly thank him for coming to Three Bridges station in Crawley on one of his first visits following his deserved appointment in July. As right hon. and hon. Members from across the Chamber will be too only aware, all of our constituents who travel on this network are affected. The cross-party nature of this issue is underlined by the composition of the all-party group on Southern rail, set up in this Parliament in the interests of passengers. The cross-party work of the group is shown in its co-chairs: my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) and the hon. Member for Hove (Peter Kyle).

On 11 July, 341 services on the Govia Thameslink network were removed, to counter the disruption that resulted from the so-called staff sickness situation at the time. Last week, on 5 September, 119 of those services were reinstated—but, Sussex passengers have yet to see any benefit. On the same day, the Minister stated:

“The remaining trains will be reinstated to the timetable incrementally in the coming weeks.”—[Official Report, 5 September 2016; Vol. 614, c. 4WS.]

That is, of course, welcome news, but is he able to offer any further update about the discussions he has had on this matter with both GTR and Network Rail?

I am also grateful to representatives from GTR for coming to Crawley in August and speaking at a public meeting I organised in front of an audience of more than 150 constituents. This meeting came a few weeks before the Government announced a package of measures, which I welcome, to improve the resilience of the Southern network, including a £20 million fund. At that meeting, one of GTR’s representatives told us how the new franchise had struggled to make a profit. The following week, it was announced that GTR’s parent company, Go-Ahead, posted a profit of about £100 million. A number of my constituents have, understandably, asked me in recent days why taxpayers are paying for the £20 million of improvement works announced in the last fortnight. I would be grateful if the Minister addressed that point, particularly with respect to any discussions he may have had with the company in this regard.

Tim Loughton (East Worthing and Shoreham) (Con): I congratulate my hon. Friend on, yet again, debating probably the most debated train operating company in the country, and I echo his words of welcome for the greater sense of urgency that the new Minister has brought. Does he not agree that, given the profits
recently announced by the parent company and the considerable amount of revenues in this company, at the very least those many thousands of passengers, particularly the season ticket holders—our constituents—should receive some significant compensation when they are renewing their season tickets, to go some way to making up for the shambles they have had to suffer for the past 12 months?

Henry Smith: My hon. Friend anticipates a couple of points I will raise in a few moments, but I agree with him that the Department for Transport needs to look at the cost to season ticket holders in particular, when it comes to the new year. I will come on to mention the need for more swift compensation for those passengers who have been adversely affected.

Of course, as well as the £20 million investment, the Government have announced a new project board. The Department has said that this is to achieve a rapid improvement to the service, and I sincerely hope that this means we will see benefits in the weeks ahead, rather than in the months to come.

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate the hon. Gentleman on securing this important debate. As he says, he is speaking for all our constituents whose lives are being wrecked by the incompetence of this rail company. Does he agree that that new project board might do better if it had more passenger representatives? Passengers feel locked out from many of the decisions that are being taken, but I understand that there is going to be only one of them on that board.

Henry Smith: I am grateful to the hon. Lady for her intervention, and I pay tribute to her for the cross-party way in which Members of the House are seeking to address this issue. Again, she anticipates a matter that I will be coming on to deal with. Greater passenger representation is important, as indeed, as I will mention, is reporting back to us—the elected representatives in this House.

Although the project board will see closer working together between GTR and Network Rail, I hope the Minister will in addition, work to facilitate talks between GTR and the RMT, to prevent the continuation of the current situation where the union undertakes further strikes and causes even more misery for passengers.

I am sure that colleagues from both sides of the House will welcome confirmation that, as the hon. Member for Brighton, Pavilion (Caroline Lucas) said, there will be a passenger representative on the review board. I and Members on both sides of the House continue to try to ensure that the voices of our constituents are heard as this situation goes on. I trust, that elected representatives will be a part of the process and that there will be greater passenger representation. I welcome the fact that the new project board head will report weekly to my right hon. Friend the Transport Secretary and my hon. Friend the rail Minister. I would appreciate assurances that Ministers will update the House on the board’s progress.

Nusrat Ghani (Wealden) (Con): I thank my hon. Friend for bringing the issue to the Floor of the House. Does he agree that even though passengers are being failed by GTR and Southern, going back to the status quo is no longer acceptable? When the service is running at full capacity, my constituents on the Uckfield line have to suffer the so-called misery line, so even the status quo is not good enough.

Henry Smith: I am grateful to my hon. Friend. She has been a firm campaigner on behalf of her constituents and others—[Interruption.] A doughty campaigner, as my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) says from a sedentary position. My hon. Friend the Member for Wealden (Nusrat Ghani) has been a doughty campaigner on behalf of people across East Sussex and West Sussex too.

I was pleased to see the new rail Minister provide a written statement on GTR when Parliament reconvened earlier this month, and I hope that he will continue to update colleagues in writing and, of course, in person.

As part of the £20 million improvement fund, additional staff will be hired at all stations, including East Croydon and Gatwick Airport, which is in my constituency. I understand that £1 million will be spent on testing platform and dispatch staff infrastructure at these stations. Will the Minister please provide an update on a timetable for staff hire and equipment testing at Gatwick Airport station? I hope that these improvements will reduce the need for my constituents, with continuing exasperation, to use the Delay Repay system.

On compensation for passengers, as I mentioned in response to my hon. Friend the Member for East Worthing and Shoreham, let me be clear: compensation is not a solution in itself, but improving the compensation procedure and making the process simpler for passengers are important in the short term.

I very much welcome the letter, which has been placed in the Library of the House, from the rail Minister to the Chair of the Transport Committee, the hon. Member for Liverpool, Riverside (Mrs Ellman), dated 6 September 2016. The Minister wrote that “rail customers should not be denied any consumer rights or protections even for a temporary period while the rail industry works to put in place more consistent compensation arrangements between train operators.”

The previous rail Minister, my hon. Friend the Member for Devizes (Claire Perry), stated in June that the Government “are committed to improving compensation arrangements for passengers. We expect to make an announcement on this in the next few months.”

This followed a previous announcement in the 2015 autumn spending review that passengers would soon have access to compensation when trains are more than 15 minutes late. My constituents have described to me their frustration when they experience a delayed train and often miss out on compensation because their service is delayed, for example, by marginally less than the current 30-minute threshold. When can we expect further details from the Minister about the enhanced compensation measures?

Last week saw the all too familiar sight of Southern railway staff handing out leaflets to passengers, advising of the details of the latest RMT union strikes. Now,
I have been clear that I have no hesitation in criticising GTR when necessary, and, as a regular commuter on the network, I doubt there will be a single Member here tonight who disagrees with me when I say that it is extremely necessary on far too many occasions to hold the company to account. However, we cannot allow the RMT union to escape blame either. Yes, we criticise GTR when its service does not run on time, but we must also question why the RMT union, having seen the GTR when its service does not run on time, but we must also question why the RMT union, having seen the issues affecting our constituents in getting to work, see also question why the RMT union, having seen the GTR when its service does not run on time, but we must also question why the RMT union, having seen the

Chris Philp (Croydon South) (Con): Does my hon. Friend agree that the RMT strike is totally without justification? There are no pay cuts and no job losses, and there will still be two staff on all the trains. Will he also join me in condemning not just the official strike action, but the equally invidious unofficial strike action held via the very high levels of sickness we see daily?

Henry Smith: My hon. Friend has been an excellent representative since being elected to the House last year, particularly on the issue of Southern rail and Thameslink delays. We are seeing industrial action that is taking advantage of a very difficult situation, with infrastructure failures and a large franchise trying to cope, and that is unacceptable. On the issue of driver-only-operated trains, we are not seeing any reduction in guard staff numbers. I appreciate that there are safety issues that need to be properly addressed, but passengers do not at all appreciate this sort of confrontation between unions and management when they are stuck, delayed on platforms.

Let me turn to the new timetable consultation. Last week, GTR was due to open the public consultation for its timetable from 2018. While I would urge my constituents to take part in that process, I ask my hon. Friend the Minister what discussions he has had with the company concerning its service going forward.

Rail fares are a further issue of consternation for commuters in my constituency. I know that I am not alone in calling for fares to be frozen and not put up in line with inflation, as a result of the issues that my constituents, and others across the south of England, have been experiencing for about a year now. The Government admit, obviously, that there is a problem, not least because they will be spending £20 million on the rapid upgrades. While the Government’s cap on fares will save season ticket holders an average of £425 through this Parliament, does the Minister not agree that it is right for the passengers who have endured such prolonged disruption to receive an exemption from this fare rise?

While we are seeing some benefits, such as the new rolling stock—the Thameslink class 700 trains, for example—things are not happening quickly enough. Passengers in Crawley and across London and the southern counties continue to be affected. They include a constituent of mine, for example, who works as a nurse. All she wishes to do is to get to work to serve her patients. However, because she travels by rail, that is becoming more and more difficult for her. On behalf of all passengers, commuters and staff who want a decent rail network, I urge the Government to ensure that GTR is held to account and that these improvements are realised.

The time is now 10.23 pm. I anticipate that the debate will conclude at about a quarter to 11. Normally, I should be able to rely on getting the tube to London Victoria station and a train back to Three Bridges. The reality today is that I have driven in to Westminster because I cannot be confident of getting home tonight unless I do that. The impact that these events are having on our broader transport congestion and infrastructure is unacceptable. What might seem quite a parochial issue is, I think, affecting the national economy and having a significant effect on people’s personal lives and on the strength, growth and environment of London and the south-east.
Chris Gibb to head a new project board. This board will work with GTR, the DFT and Network Rail to explore how to achieve a rapid improvement to services. It will oversee the £20 million fund, and also closer working between the three organisations. We need a joined-up approach to running the network and making things better. This Government are committed to putting passengers first. That is why I was personally determined that a passenger representative be included on the board, which is relatively small, to ensure that commuters’ views are heard and that improvements properly reflect what passengers themselves want. This is a time-limited board. It will present a plan in the autumn and actions will be implemented soon after. The Secretary of State and I will seek personally to update ourselves on its progress and hold it to account.

As hon. Members will be aware, the ongoing works at London Bridge station have been a major contributor to the disruption faced by passengers. However, those works are part of a £6.5 billion pound Government-sponsored Thameslink programme that will improve passengers’ experience now and in the future, and build a railway that is fit for the future. In addressing the historical lack of investment in this part of the network, we are investing £1.1 billion in the London Bridge programme alone. Delivering works of this huge scale while operating one of the busiest routes into London was always going to take time and, regrettably, cause some disruption.

With a recovering economy, particularly around London, more and more people want to travel to and from the capital. In the past five years alone, the number of passengers on Thameslink has grown by 40%, and on Southern the figure is 32%. The Thameslink programme will have a significant transformational effect on the capacity on this core inner-London route, delivering new trains that will operate every two to three minutes through central London at peak times. A total of £1.62 billion is being invested in new trains to meet this requirement, and they will be introduced between now and summer 2018. The first of those ran on 20 June, and there are now six in service. That will mean new and improved connections, providing better travel options to more destinations than ever before. My hon. Friend mentioned the future timetable from 2018. Although my focus at the moment is on restoring normality to the timetable, I am always keen to hear from colleagues how to achieve a rapid improvement to services. It will get access to the track to improve the infrastructure’s reliability.

Caroline Lucas: Will the Minister recognise, though, that many of the guards, certainly those I have spoken to, are taking action, very reluctantly, because they genuinely believe that there are safety concerns with driver-only operation? The fact that the Rail Safety and Standards Board says otherwise should not give us any comfort, given that plenty of private rail company operators sit on it. Does he not accept that if the Government withdrew the DOO element of the franchise, we would be able to resolve the issue much more quickly?

Paul Maynard: I am afraid that I have heard that tale from the hon. Lady and again during the eight weeks I have been doing this job. Driver-controlled operation is safe. The Rail Safety and Standards Board says so, and to suggest that because it is funded by rail companies it is in some way not to be trusted overlooks the fact that we have one of the safest railways in Europe. She needs to decide how she is going to put passengers first, and I am waiting to hear that from her.

Nick Herbert (Arundel and South Downs) (Con): Further to that point, do not 60% of trains operated by GTR, and, indeed, a highly significant proportion of the whole network, already have driver-only operated doors? It cannot therefore be the case that they are all unsafe.

Paul Maynard: Such trains have been in operation for more than 30 years—even on the British Rail network—and they are perfectly safe, in my view.

On 5 September, I was pleased to inform the House that Southern had reinstated 119 weekday services. That means that more than nine out of 10 trains on the network are now running to the original weekday timetable. At the moment, that is benefiting passengers mainly on inner-London services, with almost all London Bridge peak trains running again and the restoration of the service to Southern’s west London line.

As my hon. Friend the Member for Crawley has pointed out, Sussex passengers have yet to benefit. I will meet GTR later this week further to discuss its plans. I have made it clear that I expect the tempo of the introduction to be maintained and that the matter should be resolved in weeks, not months. I acknowledge that some routes are still suffering badly, and my priority is making sure that those services are restored in a timely, sensible and lasting manner.

It is unacceptable that the rail unions are causing more disruption for passengers by holding these strikes and unofficial industrial action. The real solution is for the RMT to bring the dispute to a close and start to put passengers first.

It is understandable that, with services as they are, my hon. Friend has raised the issue of fares, the cost of which has an immense impact on people’s budgets. That is why, as he pointed out, we have capped fares that we regulate at inflation for four years running and will continue to do so for the life of this Parliament. That means that fares can rise only by 1.9% in 2017, providing an annual saving of £425 in the five years until 2020.
I also acknowledge that compensation is an important part of this picture, given the cost of rail travel and the disruption caused. In its current form, Delay Repay compensation continues to apply against the permanent standard timetable. It is important that all travellers are aware of that when assessing their eligibility to claim. The Secretary of State and I are continuing to consider more generous compensation for passengers on this route, and we hope to make a timely announcement. I want to ensure that we focus on restoring normality to the timetable, and that has to be the most important task at hand.

Jeremy Quin (Horsham) (Con): It is a great pleasure to welcome my hon. Friend to the Dispatch Box. On the point about compensation, I recognise what he is saying, but the need for compensation has been recognised from the Dispatch Box by my right hon. Friend the Member for Witney (Mr Cameron). As my hon. Friend the Member for Crawley (Henry Smith) said in his opening speech, it has also been mentioned in Westminster Hall. The sooner we can get that out to our constituents, the better. I hope that “timely” means a rapid announcement, if I may press the Minister on that.

Paul Maynard: My hon. Friend may, of course, press me on that. I know that he asked that question of the former Prime Minister and got quite a categorical answer. I assure him that we are working on this important issue on a regular basis, and it is a matter of frequent conversation. It has not been put on the back burner, and I hope he will be getting some helpful news relatively soon.

Chris Philp: Given that our constituents have paid very large sums of money for season tickets this year and have manifestly not received the service they have paid for, would the Minister and his colleague the Secretary of State consider paying each and every season ticket holder a rebate of, for example, 10% of their season ticket payment—or 20%? We seem to be conducting an auction. Would the Secretary of State consider paying them such a rebate in recognition of the fact that they have not received the service they have paid for?

Paul Maynard: I am grateful for that contribution. There are numerous ways in which we are considering the potential for compensation. I will take that suggestion on board, and I hope to make further announcements in due course.

This stretch of the network is one of the most intensively used in the country, and it has seen a dramatic increase in the number of journeys over the past few years. We therefore had to update and modernise the service, not least to accommodate greater passenger numbers and to ensure their journeys are comfortable. That has required significant engineering work in the central London area. That work will ultimately, by the end of 2018, increase the capacity and frequency of trains stopping at peak times, to the benefit of all hon. Members gathered here today and to their constituents.

That said, I recognise that the current performance is not good enough. I expect GTR and Network Rail to work together to make sure that it improves significantly, so that passengers, on whose behalf the railway operates, can have the reliable, predictable railway for which they have paid.

Question put and agreed to.

10.37 pm

House adjourned.
EU referendum. Has taken to engage with British businesses since the EU referendum.

What steps his Department has taken to engage with British businesses since the EU referendum.

The Secretary of State was asked—EU Referendum: Discussions with Business

1. Ben Howlett (Bath) (Con): What steps his Department has taken to engage with British businesses since the EU referendum.

10. Kelly Tolhurst (Rochester and Strood) (Con): What steps his Department has taken to engage with British businesses since the EU referendum.

13. Caroline Ansell (Eastbourne) (Con): What steps his Department has taken to engage with British businesses since the EU referendum.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Since I was appointed on 14 July, my colleagues and I have during the summer met businesses, investors, workers and local leaders in all four home nations, as well as travelling to India and Japan. Furthermore, and for the first time, each local enterprise partnership area and each of the devolved Administrations will have a specific Minister in my Department assigned to them. Personal relationships matter in business, and that should start with the Business Department.

Ben Howlett: I thank the Secretary of State for his answer, and I welcome the whole team to the new Department. The aerospace industry is absolutely vital to the west of England economy not just for jobs, but for growth. Will the Secretary of State work with me to ensure that the entire aerospace industry receives the support it requires and deserves?

Greg Clark: I certainly will do that. One of the biggest privileges of this job is to be reunited with aerospace; I got to know the sector when I was Science Minister. In fact, my first ministerial meeting was to have breakfast with the aerospace growth partnership at the Farnborough airshow, where I ran into my hon. Friend the Member for Aldershot (Sir Gerald Howarth). The west of England was very well represented there. For example, Katherine Bennett of Airbus, whom I am sure my hon. Friend the Member for Bath (Ben Howlett) knows well, one of the founder board members of the West of England LEP, was there. This is a very important sector for the economy, and it will have my wholehearted support.

Kelly Tolhurst: I, too, welcome the new ministerial team. I have a number of correspondents in a few local—predominantly small—businesses in Rochester and Strood who have been trading with European partners over a long period, but whose supply chain costs have recently risen. Will my right hon. Friend outline his commitment to supporting our small businesses in our new relationship with Europe, to ensure that local and regional economies continue to grow?

Greg Clark: I will, indeed. I know many of the small businesses in my hon. Friend’s constituency. Of course, through the British Business Bank, we have made over £3 billion available to smaller businesses. She will know that, from next April, small business rate relief will double permanently, which will benefit 60,000 small businesses. This is part of our continuing commitment to small business, which is the motor of the bigger businesses that, together with small businesses, generate so many jobs in our economy.

Caroline Ansell: My home constituency of Eastbourne and Willingdon is a long-established, beautiful seaside destination, with big future ambitions, including for a new hot air balloon festival in 2017. Tourism is the lifeblood of my town, and I am delighted to be welcoming the Eastbourne Hospitality Association to Parliament today. Will the Secretary of State tell me whether he has had discussions with the tourism industry about reducing the level of VAT on tourism services, to bring us into line with competitor destinations in the EU, and to give our industry a competitive platform from which it can stimulate investment, create jobs, deliver growth and take full advantage of the opportunities in life after Brexit?

Greg Clark: My hon. Friend is a big campaigner for the tourism industry. I welcome her visitors today, as I am sure the whole House does. We have the highest VAT threshold in the European Union, so many small businesses do not need to charge VAT. But I will continue discussions with her—the hot air balloon festival sounds
a very tempting excursion, perhaps for many Members. I look forward to continuing these discussions with her and her colleagues.

Derek Twigg (Halton) (Lab): Does the Secretary of State agree with his right hon. Friend the Member for North Somerset (Dr Fox) that British business people are fat, overweight and spend too much time on the golf course? [Interruption.] And lazy.

Greg Clark: I have yet to meet a lazy business person, starting with my own father, who was up before dawn every morning running his own business. But my right hon. Friend is right to remind us that, across the whole country, every business needs to work hard, as they do, every day of the week. That is the secret of our competitive success, and it is how we will continue to prosper as a nation.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): In light of comments made last week by the Japanese ambassador, the Secretary of State will be aware that Nissan, which is based in my constituency, contributes £2.1 billion to the UK balance of trade, and exports 80% of all cars made at its plant in Sunderland. What opportunities does he see for automotive companies such as Nissan in a post-Brexit industrial strategy, and will he commit to meeting Nissan as soon as possible?

Greg Clark: I not only make that commitment but can tell the hon. Lady that I have already done that, and have also met the Japanese ambassador. The automotive sector, and Nissan in particular, is a hugely important and valued part not only of her constituency but of the whole country. It has our full-hearted support. The ambassador and I have met twice. It is correct and encouraging that the Japanese ambassador, on behalf of the Japanese Government, shares with us their priorities for our negotiation. That is exactly the sort of relationship that I hope and expect to have with our partners around the world.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State will be aware of the great anger felt by Britain’s wealth creators at the comments of his right hon. Friend the International Trade Secretary, which were damaging not just to them but to our reputation abroad. What conversations has the Secretary of State had with his right hon. Friend and with the Prime Minister about limiting that damage?

Greg Clark: My right hon. Friend has been vigorous during the summer in going around the world to promote the case for British business, as is his job. Opposition Members will have the support of everyone in this House if they join the efforts we are making to promote the great opportunities there already are in this country and the further opportunities to come.

Mr Speaker: Order. The hon. Gentleman should try not to use the word “you” in the Chamber. Debate goes through the Chair. I am not expressing any view on these matters, but I think I know what the hon. Gentleman had in mind.

Greg Clark: Free trade courses through the veins of this country. It is one reason why we have been most successful. I was surprised to hear a commitment to free trade described as dogma last week. It is one of our strengths, and my hon. Friend has my absolute assurance that it will be very much to the fore of our reputation in the future as it was in the past.

Bill Esterson (Sefton Central) (Lab): I welcome the Secretary of State to his new post. He certainly has his work cut out. Australia says that it will take at least three years after Brexit before a trade deal can be in place with the UK, while the United States, Japan and China have all expressed their views about the prospects for foreign investment and trade with the UK. What is he doing to get behind UK businesses and deal with the concerns of our international partners following the Brexit vote? He could not do better than to start by telling his Cabinet colleagues to get behind business and stop insulting it.

Greg Clark: I would be interested in the support of the Labour party for promoting British business around the world. The hon. Gentleman will know, from our previous work on local growth, that he will always have a willing ear and assistance from me in doing that. He was kind enough to welcome me; I welcome the Opposition Front Bench team. The hon. Member for Hemsworth (Mr Ben Southwood) was my shadow in my role at the Department for Communities and Local Government. He has followed me here—perhaps he is not so much a shadow as a stalker, but I regard it as flattery.

As I said in my initial answer, relationships are important. We can exchange letters and bits of paper, but it is important that we get to know well our partners around the world. I have done that and my colleagues have done that. As I said earlier, I visited our investors and manufacturers in Japan and India. I will continue to do so.

23. [06298] Lucy Frazer (South East Cambridgeshire) (Con): Cambridgeshire is a net contributor to the Treasury, with 20,000 businesses generating revenues of over £30 billion. As local politicians, we have had cross-party meetings with business leaders about the implications of Brexit for our local economy. Will the Secretary of State visit the Cambridge Science Park in my constituency to discuss the implications?

Greg Clark: As my hon. Friend knows, I am a frequent and enthusiastic visitor to Cambridge. One of the important features of our industrial strategy is to have a clear recognition of the contribution and local leadership that different places bring. I have appointed the Minister for Universities, Science, Research and Innovation, my hon. Friend the Member for Orpington (Joseph Johnson), as the lead liaison for Cambridge, but I will of course be very happy to visit myself.

Callum McCaig (Aberdeen South) (SNP): I, too, welcome the Secretary of State and his team to their positions. I agree that there are some challenges, one of
which is the ballooning trade deficit that, in quarter 2 of this year, increased to £12.3 billion. This is a problem that is unlikely to be solved by withdrawal from the single market. Scotland voted to remain. Scottish business wants unhindered access to that single market. Will the Secretary of State support that, or is he in favour of the full English Brexit?

Greg Clark: I welcome the shadow Minister to his place. I think many of us on the Government Benches were impressed by his contribution to the debates last week—a clear rising star. He will know that I will work very closely, and the Prime Minister has committed to working closely, with the devolved Administrations to make sure our negotiating mandate reflects the needs of all parts of the United Kingdom. It was a United Kingdom decision to come out of the European Union and we will make the most of it together.

Callum McCaig: I thank the Secretary of State for that answer. The Scottish Government analysis of UK withdrawal from the European Union is that it could cost the Scottish economy at best £1.7 billion a year and at worst £11.2 billion a year. I repeat: will he make the case from his Department for continued membership of the single European market?

Greg Clark: I made clear in my earlier answer that free trade is what we want to see in this country. In furthering our discussions not only with the leaders of the devolved Administrations but with our business investors around the world, we will ensure that the negotiating mandate we have is ambitious and will secure the brightest possible future for the whole of the United Kingdom.

Hinkley Point C

2. Angela Crawley (Lanark and Hamilton East) (SNP): When the Government plans to make a decision on the timetable for the development of Hinkley Point C.

4. Tommy Sheppard (Edinburgh East) (SNP): When the Government plans to make a decision on the timetable for the development of Hinkley Point C.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): I said on 28 July that the Government would carefully consider all the component parts of the Hinkley Point C proposed project before reaching a decision on whether to agree to the proposed contract for difference. We have been doing just that, and as the Prime Minister told the House last Wednesday, a decision will be taken this month.

Angela Crawley: On my recent summer surgery tour of my constituency, a number of constituents raised concerns about the cost to the taxpayer of the Hinkley Point C development. Barclays estimates that even if EDF delivers four years late and 25% over budget, it would still make a profit on the deal, with the deficit being picked up by ordinary people over the next 35 years. Does the Minister think that such a gratuitous public subsidy provides value for the taxpayer?

Greg Clark: As I said to the hon. Lady in my answer, we are looking at all components of the deal and will make our decision before the end of the month. However, I think it is a responsible act on the part of the Government to consider our energy supplies for the future in the long term. I know the Scottish Government have turned their face against new nuclear. We regard it as an important part of a diverse energy mix that gives resilience to UK consumers.

Tommy Sheppard: Given that the Brexit vote has thrown the energy sector into further uncertainty and given that we know that energy from renewable sources will be cheaper than nuclear by the time Hinkley is completed, is it not now time for the UK Government to follow Scotland’s example, end this unreasonable love affair with nuclear energy and embrace cheaper, safer and more plentiful alternatives?

Greg Clark: Sir Winston Churchill said that in energy, “diversity and diversity alone” was the foundation for security. I think those were wise words, and I think we are wise to have a range of energy sources now and in the future—including, of course, renewables.

Sir Gerald Howarth (Aldershot) (Con): May I say how strongly I support the Prime Minister’s decision on this, given that China persists in trying to hack not only state agencies but our commercial companies and has put two fingers up to the arbitration court in The Hague, which ruled that the development for military purposes of uninhabited atolls in the South China sea was unlawful? These are people with whom we should sup with a long spoon. I commend to my right hon. Friend the paper written by the Intelligence and Security Committee under the chairmanship of Sir Malcolm Rifkind three years ago.

Greg Clark: I am grateful to my hon. Friend. It is my view that the commitment we have made is to look at all components of the proposed deal and to make our decision very shortly. I shall of course report back to the House. when we have done that and explain the reasons why we have taken whatever decision we have.

14. [906287] Sir Edward Leigh (Gainsborough) (Con): The Government are very wise to take a deep breath before committing themselves to the massive cost of Hinkley. Evidence on new technology is mounting all the time, relating in particular to fusion rather than fission, mini-reactors and battery storage. I commend the Government for considering the decision very slowly indeed.

Greg Clark: I am grateful to my hon. Friend. It is right when dealing with such an important decision to make sure that a new Government look at all the components with a view to the future for our energy supply. As I say, I believe it important to benefit from the full range of technologies, including some of those that my hon. Friend has mentioned.

Mr Ben Bradshaw (Exeter) (Lab) rose—
Mr Speaker: The right hon. Gentleman came in on Question 1, which I have not forgotten, even if he has. We will save him up for later and keep him in the microwave.

Christina Rees (Neath) (Lab/Co-op): I congratulate Express Reinforcements Ltd, based in my Neath constituency, on becoming the preferred supplier for 200,000 tonnes of reinforced steel provided by Celsa Cardiff from Bylor to Hinkley Point C. I am concerned that Hinkley Point C has been hit by multiple setbacks and is on hold. Will the Secretary of State please update us on the timetable? Do we need a plan B or even a plan C?

Greg Clark: The hon. Lady is right that across all forms of energy generation we need to upgrade our capacity for it. Doing that—the Government are determined to do so—will secure important advantages for other companies, including steel suppliers, right across the United Kingdom. We will take the decision on Hinkley before the end of the month, as the Prime Minister has said.

Mr John Whittingdale (Maldon) (Con): Notwithstanding his earlier remarks, will my right hon. Friend confirm that, as well as the proposed nuclear power station at Hinkley Point C, the other part of the package, which is a new Chinese-designed station at Bradwell-on-Sea, remains very much on the table?

Greg Clark: The decision with Hinkley Point C is on the particular contract for difference. That is what we are reviewing, and we will take the decision when that review has been completed.

Barry Gardiner (Brent North) (Lab): I, too, welcome the Front-Bench Members to their new positions—along with my stalker friend. After putting 25,000 highly skilled jobs at risk and jeopardising 500 much needed STEM apprenticeships; after offending the Chinese Government and risking £18 billion of investment in the nuclear industry, which is a vital part of our energy mix; and after sending shockwaves through the investment community, which now thinks that the Prime Minister and is on hold. Will the Secretary of State please update us on the timetable? Do we need a plan B or even a plan C?

Greg Clark: I prefer the Prime Minister’s cautious approach to the approach of the hon. Gentleman, which, as far as I can see, is completely inconsistent. He criticises the Government for, quite rightly, reviewing this important decision, but at the same time he says that we should take two to three months to review the decision seriously, so there is a contradiction in his position.

That does not surprise me, however, in view of the complete absence of an energy policy during the 13 years of Labour government when we knew that nuclear power stations were going to come to the end of their lives. Those power stations were not replaced. The present Government are making decisions in a proper, serious way, and making up for the lost time during the Labour years.

Industrial Strategy

3. Nigel Huddleston (Mid Worcestershire) (Con): What steps the Government is taking to develop its industrial strategy; and if he will make a statement. [906276]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): I am delighted that the Prime Minister has asked me to lead the historic task of preparing a proper industrial strategy for our country. We have a once-in-a-generation chance to embrace the opportunities of our new global role, and to upgrade our economy so that it works for everyone. We will work with the breadth of British industry, local leaders, innovators, employees and consumers to create the conditions for future success.

Nigel Huddleston: May I, too, take the opportunity to congratulate the Front-Bench teams on their appointments?

The words “industrial strategy” often conjure up images of manufacturing and heavy industry. Can the Secretary of State confirm that the service sector, which, after all, constitutes 80% of the British economy, will also be comprehensively covered by this industrial strategy?

Greg Clark: I can indeed confirm that. In our projections of how we are to earn our living as a nation, we should look to our strengths. The service sector is undoubtedly one of our greatest strengths, and we must of course create the conditions that will enable it to continue to prosper in the future.

Mr Iain Wright (Hartlepool) (Lab): I, too, welcome the Secretary of State to what is a fantastic, ambitious, interesting and challenging brief. I wish him and his ministerial team all the best. Will he now explain precisely how the new industrial strategy marks a distinctive change in the Government’s approach to collaboration with business and intervention in the economy—or is it merely a change to the nameplate at 1 Victoria Street?

Greg Clark: It is certainly not that. I would very much welcome the involvement of the new Select Committee which I expect to be formed in ensuring that we capture everything that we need to make a success of the strategy. I do not think that it is brand new, in the sense that, as I have said, we build on success. For instance, we talked to one of the hon. Gentleman’s colleagues about the automotive sector, which we know has been a significant source of strength. The environment that we have created with the firms in the sector, and with universities and scientific institutions, has been crucial to its success. We will build on those strong foundations, and will be very clear about our path for the future.

Rishi Sunak (Richmond (Yorks)) (Con): As the Government formulate their industrial strategy, may I urge my right hon. Friend to look at the American small business innovation research programme, which funds research at the critical stage between science and the commercialisation of technology, and which has spawned companies such as Qualcomm, Jawbone and Tesla? Will he consider a United Kingdom equivalent?
Greg Clark: I am grateful to my hon. Friend, who is very well informed about the need to translate research success into small business success. I am sure that we can discuss it further.

17. [906290] Chris Bryant (Rhondda) (Lab): I welcome the new team as well, although I suspect that even the Secretary of State knows that this is not going to be a full English Brexit, but a dog's Brexit. [Interruption.] Thank you very much; I am here all week.

As for the industrial strategy, one of the real problems facing many parts of the country—as was revealed at the time of the referendum—is that they are now post-industrial. They are areas that formerly had one industry, such as tourism, iron and steel, coal or shipbuilding. Will the Secretary of State ensure that we take the opportunity to invest in those forgotten areas, so that we can improve their productivity in particular?

Greg Clark: They are not forgotten. The hon. Gentleman is very good at one-liners. The creative industries are an important source of strength, and that includes comedians.

Some of the most successful places in the world, especially cities, have developed in such a way that they have resilience as a result of having different industries. That even applies to cities in which there was formerly a single dominant industry. We want to work with local leaders to ensure that we strengthen the resilience of our own regional centres.

Mr Edward Vaizey (Wantage) (Con): I welcome the new Front Bench team, particularly the visiting fellow of All Souls, who is appropriately the Minister for the Oxfordshire local enterprise partnership, and the Minister for consumer affairs, who is a brilliant re-tweeter, particularly of my interview in today’s Times.

As part of the industrial strategy, I hope my right hon. Friend the Secretary of State will recognise the importance of science and innovation; in my constituency in Harwell we are a microcosm of the future of Britain, linking science with high tech, and I hope it will feature strongly in his industrial strategy.

Greg Clark: It certainly will, and the strength of science, not least in Oxfordshire, is one of our national strengths and it will be at the heart of our strategy.

Ms Margaret Ritchie (South Down) (SDLP): How will the Secretary of State ensure the future industrial strategy is mindful of Northern Ireland’s particular reliance on EU support and access to the common market?

Greg Clark: As I said earlier, we will make sure we work with our colleagues across the United Kingdom. I had a very productive meeting with Simon Hamilton in the summer, to make sure we co-ordinate our efforts with those of policy makers in Northern Ireland. It needs to be joined-up and it will be, and we will make sure our negotiating mandate reflects contributions from across the UK.

Jon Trickett (Hemsworth) (Lab): I join others in welcoming those on the Front Bench and the creation of a Department that is going to deal with industrial strategy. The country is badly unbalanced at the moment and we will support any realistic thorough-going industrial strategy that is developed.

We know how the strategy has gone over the summer—BHS has gone bust, with 11,000 jobs gone. Sports Direct is paying less than the minimum wage, world-leading company ARM, a home-grown British gem, has been sold overseas—and meanwhile one of the Secretary of State’s Cabinet colleagues has talked down British business, calling our companies fat and lazy, and there is still no clear and unambiguous progress on the steel industry. It has been over two years since the consultation on the steel industry pensions ended. When will the right hon. Gentleman make it clear that the pensions of tens of thousands of loyal and hard-working steel workers will be properly protected?

Greg Clark: The steel industry is a very important industry in our country. As the hon. Gentleman knows, I grew up in Teesside where it was particularly prominent. I had some productive discussions in the summer, including visiting south Wales to make sure the Government can give the right support to a sustainable future for the steel industry, and I am happy to make the hon. Gentleman aware of these discussions.

Solar Power

5. Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): What steps he plans to take, and by what date, to improve the performance of the feed-in-tariff scheme for solar power.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): Solar deployment is a UK success story, with almost 11 GW of capacity now installed. While it is appropriate to allow for a period of stability following recent changes to protect consumer bills, the Secretary of State continues to keep the performance of the feed-in tariff scheme under review.

Gill Furniss: A PricewaterhouseCoopers report in July showed almost 60% of companies are looking to diversify away from solar, and nearly four in 10 are considering leaving the solar market entirely, as a result of the Government’s policy changes. What steps will the Minister take to avoid business confidence in this important sector dropping further?

Jesse Norman: Actually, there is remarkably little sign that confidence in the sector is dropping. There is a recognition that those changes had to be made and the sector has responded remarkably resiliently. We must not forget that it has also been spreading expertise in solar internationally, which is another reason for thinking this is a real long-term success story.

Kevin Hollinrake (Thirsk and Malton) (Con): I welcome the new ministerial team to their new roles. Kingspan, a significant employer in my constituency, has contacted me regarding concerns about the revaluation of business rates for cellphone rooftop solar. The result is a sixfold increase in rates. Will my hon. Friend agree to meet me and representatives from the company to see how these effects can be mitigated?
Promotion of Innovation

6. **David Morris** (Morecambe and Lunesdale) (Con): What steps his Department is taking to promote innovation in all regions of the UK. [906279]

7. **Julian Sturdy** (York Outer) (Con): What steps his Department is taking to promote innovation in all regions of the UK. [906280]

**The Minister for Universities, Science, Research and Innovation (Joseph Johnson):** The Government support innovation through Innovate UK, soon to be part of UK Research and Innovation, and have invested more than £1.8 billion in innovation since 2007. Innovate UK is connecting businesses to local growth through its regional managers, and local enterprise partnerships are supporting innovation through £200 million of local growth funding.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Innovation is key to our regional economies, helping to create high-skilled, well-paid jobs. Innovation needs investment in research and development and in small businesses if we are to make a success of new ideas. European funding has helped to grow our regional innovation infrastructure. The north-east alone will receive £130 million in research funding between now and 2020, and 72% of EU funding to UK businesses goes to small and medium-sized businesses. Will the Minister commit to matching the funding for innovation that currently comes from the European Union?

**Joseph Johnson:** We have been monitoring the impact—any impact—on our research institutions and businesses since the referendum. The Treasury’s announcement on 13 August that it will underwrite for the life of the project all competitively bids for EU research funding that are applied for before our departure from the EU shows our determination to take action wherever necessary to maintain the global competitiveness of the UK’s research base and of the innovative businesses that win such bids.
Product Recall: White Goods

8. Andy Slaughter (Hammersmith) (Lab): If he will take steps to support the London fire brigade’s Total Recalls campaign on the implementation of changes to the product recall system by manufacturers of white goods.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): Consumer product safety is a Government priority. We have an effective system of product recall and have established a steering group to consider the recommendations in Lynn Faulds Wood’s 2016 product recall review. We will engage with the London fire brigade on its campaign as part of our regular dialogue with them.

Andy Slaughter: The Minister will be aware of the major fire in a Shepherd’s Bush tower block last month that was caused by one of an estimated 5 million defective Whirlpool tumble dryers. The tenant was in the same room as the dryer but could do nothing to stop the fire destroying her home and damaging 25 others. Does the Minister agree that Whirlpool’s advice that such dryers can continue to be used if not unattended is irresponsible and dangerous? Will she get it changed?

Margot James: I was shocked to hear about the serious fire in the hon. Gentleman’s constituency. Gentleman’s constituency and understand his concerns about the safety of tumble dryers. However, the advice provided by Whirlpool is based on a full risk assessment of the product that has been agreed with Peterborough City Council trading standards, which is the lead enforcement authority for Whirlpool. Trading standards will continue to monitor the situation and has powers to order further action if appropriate.

Mr Philip Hollobone (Kettering) (Con): There are three tumble dryer fires each day in this country—almost 2,500 since the start of 2012. Will the Minister ensure that fireproof labels containing make, model and serial number are attached to all tumble dryers, so that machines can be traced to the manufacturer when fires do occur?

Margot James: Although there have been serious fires, they represent less than 0.2% of the total number of tumble dryers sold, so we must keep things in perspective. Lynn Faulds Wood’s review provides an overview of the current consumer product recall system, and the independent recall review group, composed of industry safety experts and the Chief Fire Officers Association, will complete the work on the recommendations.

Laser Pens

9. Rehman Chishti (Gillingham and Rainham) (Con): What assessment he has made of recent trends in the sale and supply of laser pens.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): Consumer product safety is a Government priority. We have an effective system of product recall and have established a steering group to consider the recommendations in Lynn Faulds Wood’s 2016 product recall review. We will engage with the London fire brigade on its campaign as part of our regular dialogue with them.

Rehman Chishti: I thank the Minister for that answer. In the past year, there have been over 1,300 incidents in which certain laser pens were used to target both civilian and military aircraft and transport infrastructure. Will the Minister support my private Member’s Bill, supported by the British Airline Pilots Association, to regulate the sale of laser pens?

Mr Hurd: I congratulate the hon. Gentleman on his persistence and passion in pursuing this important issue—there are significant risks attached to misuse. I assure him that the Government are taking the matter seriously. A cross-Whitehall group is urgently looking at our options, including the case for further legislation. In that context, I am happy to meet him.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Minister help the leading manufacturer of laser pens, which is situated in my constituency? The company is—or was—a great supporter of the northern powerhouse and will be attending Thursday’s big conference in Yorkshire on innovation and creativity, supported by the all-party parliamentary group on Yorkshire and Northern Lincolnshire. It wants to know why Lord O’Neill was suddenly pulled as a speaker with no substitute offered. We hear that the Government will have nothing to do with elected mayors or the northern powerhouse. What is the situation now?

Mr Speaker: In relation to laser pens, rather than the speaking engagements or otherwise of Lord O’Neill.

Mr Sheerman: I mentioned laser pens.

Mr Hurd: I congratulate the hon. Gentleman on his ingenuity in asking a question that he was frustrated about not getting answered previously. I reject absolutely any suggestion that the Government have lost any commitment to the northern powerhouse. As for the specifics of speaking engagements, if he would like to speak to me afterwards, I can try to throw some light on the matter.

Mr Speaker: The hon. Member for Huddersfield (Mr Sheerman) is a well-known exponent of what I might call the shoehorning technique. Whatever he wants to raise, he shoehorns it into a question somehow. He could probably write a book on the subject—and probably will.

Solar Power

11. Christian Matheson (City of Chester) (Lab): Whether his Department has received a copy of the report by PwC and the Solar Trade Association, published on 25 July 2016, on the state of the UK solar industry; and what his plans are for the future of solar power in the UK.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): I welcome the question from a colleague I have enjoyed watching at work with his incisive questioning on the Culture, Media and Sport Committee—tragically, he is about to direct that questioning at me. I can assure him that my Department has received a copy of the PwC report and carefully noted its findings. As I have said, solar has
been a great success story over the past few years. The goal, now that costs have been brought under control, is to move the industry towards having the capacity to deliver without subsidy.

**Christian Matheson:** I thank the Minister for his generous comments and for his time as Chair of the Select Committee that I serve on, and I wish him well in his new role.

The PwC report estimates that a third of jobs in solar have been lost in the past year, with a third of companies expecting to cut more staff in the next 12 months. As the hon. Member for Thirsk and Malton (Kevin Hollinrake) and my hon. Friend the Member for Southampton, Test (Dr Whitehead) have suggested, rateable value changes will affect the industry further. Will the Government take into account the cumulative effect and actually do something positive for the solar industry?

**Jesse Norman:** Of course I share the hon. Gentleman’s concerns about any job losses as a result of changes in the industry. I made some points earlier about the way in which the industry is changing, and I note that the report picked out the resilience of the industry and its capacity to respond to change, potentially including that offered by Brexit. I simply say that it is noticeable that many schemes are already close to being viable without subsidy, in certain circumstances, and the key now is to move further towards that. As I have said, we will look closely at the valuation issues he has highlighted today.

**EU Referendum: Opportunities for Businesses**

12. **Andrew Bingham** (High Peak) (Con): What assessment his Department has made of potential opportunities for British businesses arising from the vote to leave the EU.

15. **Karl McCartney** (Lincoln) (Con): What assessment his Department has made of potential opportunities for British businesses arising from the vote to leave the EU.

The Government have made it very clear that we are open for business and are absolutely determined to make a success of leaving the EU, and that includes seizing the opportunity to negotiate our own trade agreements and to be a powerful and positive force for free trade.

**Andrew Bingham:** I believe that leaving the EU offers great opportunities for British business in the future, although we must be aware of certain threats. My constituent Steve Otty has a business called Hindlow Technical, which works in the area of explosions protection. The situation is complex, but he has a registration system with the EU Commission, and he is concerned that being outside the EU will prevent that process and could hamper his business. Will my hon. Friend be vigilant on such issues, so that as well as providing the opportunities of leaving the EU, we can be ready to counter the threats?

**Mr Hurd:** I assure my hon. Friend that we want to make sure that the new relationship with the EU works for British businesses. His constituent Mr Otty raises an important point about the need to seek clarity on the ongoing recognition of the compliance certification that UK notified bodies grant. That is an important issue, and we are well aware of it. If his constituent would welcome a call or a meeting to discuss it, I am sure we could arrange that.

**Karl McCartney:** Does my hon. Friend welcome, as I do, the latest trade figures, which showed that despite the predictions of the crystal-ball-gazing doom merchants such as the remainiac TUC, our exports grew by more than £800 million in July after the positive EU referendum result? Can he confirm the number of businesses that he and his ministerial colleagues have spoken to that are positive about our economic future outside the EU?

**Mr Hurd:** I welcome any good news for the British economy, and although I voted remain, I agree 100% that we should be talking up our prospects and not talking them down. On the conversations that we have had, I simply say that the chairmen I have spoken to have expressed some desire for more certainty but are fundamentally optimistic about local prospects and keen to get on with it.

**Andrew Gwyse** (Denton and Reddish) (Lab): There is a British jurisdiction that is entirely accessed, by road, air and sea, through another European Union member state—the British overseas territory of Gibraltar. People there are absolutely of the opinion that they need to retain access to the single European market. What discussions has the Minister had with his Gibraltar counterparts to make sure that that happens?

**Mr Hurd:** As the Secretary of State made clear, we are actively engaged in a series of conversations with stakeholders and international partners, and we are sure Gibraltar will be part of that.

**Danny Kinahan** (South Antrim) (UUP): Will the Minister or his team meet the leader of the official Opposition in Northern Ireland, of which my party is part, as we have an excellent document on the vision for the future of Northern Ireland after Brexit?

**Mr Hurd:** The short answer is yes. As the Secretary of State has said, we are keen to harvest all opinions and ideas on how we meet the fundamental and exciting challenge of how to transition to a post-Brexit world in a way that works for British business.

**Topical Questions**

T1. [906264] **Neil Parish** (Tiverton and Honiton) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The Department for Business, Energy and Industrial Strategy was formed on 14 July, and it is my great honour to serve as its first Secretary of State. Over the summer, rapid progress has been made in joining up responsibilities for business, energy, climate change, science, innovation and consumer affairs and in creating a new focus on industrial strategy. This is a powerful Department, which is up to the task of promoting a competitive, low-carbon economy that works for everyone.
As part of an excellent team of Ministers and officials, I will continue to work both locally and globally on the challenges ahead.

Neil Parish: The Swansea bay tidal lagoon, along with Cardiff bay, Newport bay and Bridgwater bay, has the potential to create huge energy, as those bays have the second highest rise and fall of tide in the world. How is the feasibility study going, and when will we get a result? We need long-term funding for a project that will provide 8% of our energy.

Greg Clark: My understanding is that the feasibility study is being undertaken. I have not received its final conclusions yet. At that point, I will look at it with the same interest as my hon. Friend.

Bill Esterson (Sefton Central) (Lab): The European Commission says that Apple should cough up £13 billion in taxes for earnings generated across the EU, including in the UK. Most UK businesses pay their fair share of taxes and expect all other businesses, large or small, to do the same. Will the Secretary of State confirm that he is doing everything he can to ensure that the very biggest companies pay up and that we receive our share of the £13 billion Apple tax pie?

Greg Clark: The hon. Gentleman makes a reasonable point. Responsibilities come with being in business in this country, and paying taxes to contribute to the public services that we enjoy is one of them. He has my assurance that we will ensure that we pursue the correct tax from all companies that locate here.

T3. [906266] Jason McCartney (Colne Valley) (Con): On Thursday, I will be chairing a panel at the enterprise, innovation and northern powerhouse conference at Huddersfield university. Does the Secretary of State agree that in developing an industrial strategy, we need to do more to win hearts and minds for big projects in the north, with more examples of regional procurement, such as the High Speed 2 college in Doncaster, and more jobs in the north, perhaps with HS2 starting from the north?

Greg Clark: The passion with which my hon. Friend makes his point attests to the opportunities within our approach to industrial strategy to ensure that there is growth across the United Kingdom, including in Yorkshire. He will know that I have taken a great interest in that in my previous roles, and he can be absolutely assured that that interest will not diminish in the months ahead.

T2. [906265] Fiona Mactaggart (Slough) (Lab): The current review of network charging for small embedded generators such as Slough Heat and Power will mean huge increases in costs for them. Is the Department determined to make energy generation the preserve of big businesses only?

The Minister for Climate Change and Industry (Mr Nick Hurd): No. I categorically rebut that. We must strike a balance between driving down the costs of all sources of low-carbon generation and ensuring that we deliver best value for consumers and taxpayers, and that occasionally requires reviews of tariffs.

T4. [906267] Chloe Smith (Norwich North) (Con): As we approach European negotiations, can the Secretary of State assure me that the Government will seek to enhance and promote British strengths in financial services, science and the digital, creative, cultural and tourism sectors, which are particularly important to my constituency?

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): Yes, I can certainly assure my hon. Friend that we plan to put science and innovation at the heart of our industrial strategy. Financial services, as part of the services sector, will also play an important part of our strategy as it is developed in the coming weeks.

T5. [906268] Patrick Grady (Glasgow North) (SNP): Last week, the Government committed to ratifying the Paris climate agreement. Will they commit to doing so before the next United Nations framework convention on climate change conference of parties in Morocco, so that they can play a full and leading role at that summit?

Mr Hurd: We helped to shape the Paris agreement, we signed it, and the Prime Minister has confirmed that we will ratify it as soon as possible, which remains our position.

T7. [906270] Maggie Throup (Erewash) (Con): Britain is undoubtedly a world leader in scientific research. With that in mind, will my hon. Friend detail what role bioscience will play in the Government’s industrial strategy?

Joseph Johnson: The Government’s industrial strategy will position the UK as a global leader for the 21st century. The UK bio-economy is worth £220 billion in gross value added—13.6% of total GVA in 2014—with potential to grow by 13% by 2030. We shall continue to invest strongly in it.

T6. [906269] Paul Blomfield (Sheffield Central) (Lab): The Secretary of State is a thoughtful man who I believe is serious about regional growth. Will he assure me that I am right in that understanding by cancelling his predecessor’s decision to centralise his Department’s policy functions in London? Among other things, that would maintain and build on its important presence in Sheffield.

Greg Clark: I am certainly attached to the work that is done in Sheffield and the highly valued colleagues we have there. The decision was made some time ago, and many changes have been made. As we sort out the responsibilities of different parts of the Department, I will look carefully at what Sheffield can provide.

Pauline Latham (Mid Derbyshire) (Con): What further steps can be taken to help make non-commercial community energy schemes viable?

Mr Hurd: As we have said in response to earlier questions, the Government are committed to the deployment of renewable energy and have had considerable success, and of course the feed-in tariff has been central to that.
Greg Clark: We do need an upgrade across many different forms of infrastructure, and that will have very important benefits to the steel industry, including in Sheffield.

Tom Pursglove (Corby) (Con): It is hugely encouraging that the Government are developing their comprehensive industrial strategy, which I believe will give a great boost to confidence in our steel industry. Will the Minister update the House on what early discussions he has had with the industry about its role in that?

Greg Clark: I have had extensive discussions with the steel industry over the summer, as my hon. Friend will understand. It is very important that we should have a sustainable future for what has been, and is, a very important sector in our economy.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The huge Hanjin Shipping line has gone into receivership, leaving between £12 billion and £16 billion-worth of goods at sea. The inability to dock is projected to have an impact on UK retail, particularly during Christmas trading. More importantly, UK seafarers—

Mr Speaker: Order. One sentence. Very briefly. We have got a lot to get through.

Drew Hendry: Seafarers such as Scots cadets are stuck at sea. What action is the Minister taking to assist retailers, and will he speak to his Foreign and Commonwealth Office counterpart to get help for our seafarers?

Greg Clark: I will take that point away. On the immediate impact, I know that the local enterprise partnership is engaged in ensuring that the delays will be overcome.

Kit Malthouse (North West Hampshire) (Con): Many will commend the Secretary of State for putting science, and in particular life sciences, front and centre in his industrial strategy. I wonder whether, as he plans the industrial strategy, which I believe will give a great boost to confidence in our steel industry. Will the Minister update the House on what early discussions he has had with the industry about its role in that?

Greg Clark: I certainly will. I was interested to read my hon. Friend’s article in the newspaper earlier this week, which made that point. It is important that the Government take a collective approach, and I have already had discussions with my right hon. Friend the Health Secretary about how we can make the most of the NHS in life science.

Gloria De Piero (Ashfield) (Lab): The expansion of Heathrow would create a demand for 370,000 tonnes of steel and secure 700 steel jobs, so it is not only in the interests of the UK economy more generally that we expand Heathrow but specifically in the interests of the manufacturing sector. Why do we not just get on with it, have the vote here in the Chamber and get on with the building of the third runway?

Greg Clark: I will certainly take that point away, and I am happy to meet the hon. Lady if she would like to inform me about that outside the Chamber.

Mr David Nuttall (Bury North) (Con): Does the Department intend to develop a single industrial strategy for the whole country or different industrial strategies for different parts of the country?

Greg Clark: My hon. Friend makes a good point. It seems essential to me that we should have a strategy for the whole country, but place is incredibly important, and the challenges of places such as Greater Manchester are different from those of Cornwall. We should reflect more clearly the different strengths and opportunities of different places in the way we do business as a Government.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Does the Minister accept that the changes to subsidy for the biomass combined heat and power plants have been brought in too quickly, and that a longer grace period should have been granted before implementation? BSW Timber in my constituency, which is doing what the Government want by investing in renewable technology, stands to lose up to £3 million in support. Will the Minister meet me to discuss these changes and talk about what—

Mr Speaker: Order. Let me say in all kindness and charity to the hon. Gentleman that he was at his best at the end of the first sentence. A blue pencil should thereafter have been applied.

Mr Hurd: I think the hon. Gentleman is a former treasurer of the Scottish National party, so he knows a bit about the challenge of cost control. He knows that in the context of these changes, our overriding priority is to provide better value for the taxpayer.

Several hon. Members rose—

Mr Hurd: The changes will apply to new participants according to when they qualify for the scheme, and those that fully qualify on or after 1 August will be subject to the change.

Several hon. Members rose—

Mr Hurd: If the hon. Gentleman wishes to raise a specific constituency case with me, I am happy to meet him.

Mr Speaker: The Minister is very good for colleagues’ knee muscles—or not, as the case may be.

Peter Aldous (Waveney) (Con): Brexit provides the UK with an opportunity to be the global leader in such energy technologies as offshore wind, energy storage, and carbon capture and storage. Can the Secretary of State confirm that the Government will reset energy policy so that the country can take full advantage of this great opportunity?
Greg Clark: My hon. Friend is right that one of the historic strengths of the United Kingdom is in areas such as marine engineering and power engineering, which are at the heart of the opportunities that exist around the world as many countries look to develop their capacity in renewable energy. That provides a big opportunity, especially for his constituents.

Melanie Onn (Great Grimsby) (Lab): Can the Secretary of State guarantee that all employment protections currently enjoyed by British workers will be maintained after Brexit, and will he back my Bill to do just that?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): We will certainly look carefully at the hon. Lady’s Bill. Employment protections are a priority for this Government.

Nigel Adams (Selby and Ainsty) (Con): The financial viability of many low-carbon on-site heat and power technologies is under threat owing to the reduction in the biogas tariff. Will the Department consider a separate tariff for the new gasification technologies, rather than treating them the same as other technologies such as anaerobic digestion?

Mr Hurd: As my hon. Friend knows, the Government are reviewing how the renewable heat incentive works and have been forced to make some changes to tariffs in order to provide better value for the taxpayer’s money, but I am more than happy to sit down with him and talk about his suggestion.

Hannah Bardell (Livingston) (SNP): I welcome the Secretary of State to his place, as I do my hon. Friend the Member for Aberdeen South (Callum McCaig), who I know will be a doughty champion for his new brief.

A new report from Professor Alex Kemp of Aberdeen University suggests that the re-engineering of the UK continental shelf fiscal regime may be necessary before we can reach the North sea’s full potential. What further support will the Government offer the oil and gas sector in the autumn statement?

Greg Clark: I had a productive set of discussions with representatives of the oil and gas sector in Aberdeen in the summer. The industry, which is centred in Aberdeen but involves other places in the country, is very important. We have made big changes to the fiscal regime, as the hon. Lady knows, which have been beneficial, but we will continue to have discussions about that.

Jake Berry (Rossendale and Darwen) (Con): The Secretary of State described himself earlier as being engaged in an historic task of writing industrial strategy, but surely if he studies history, he will know that industrial strategy is written predominantly by civil servants, and that Ministers tend to fail. What steps will he take to engage businesses in Lancashire to make sure that we have a successful strategy?

Greg Clark: I certainly will take such steps, and I am grateful for my hon. Friend’s point. Obviously an industrial strategy for the country should not consist of instructions from Ministers or civil servants to businesses and the rest of the country. We are engaging with businesses across the country and in every sector to ensure that they have the support they need.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Does the Secretary of State believe that it is conceivable that this country could negotiate full membership of the single market without accepting freedom of movement?

Greg Clark: The hon. Gentleman entices me into making early decisions on what our negotiating mandate should be. I think the sensible step is to be careful and to put together our negotiating brief, in consultation with businesses in every part of the country.

Martin Vickers (Cleethorpes) (Con): I welcome the Government’s continuing commitment to the northern powerhouse. Will the Secretary of State meet me and council leaders to discuss how we can maximise the contribution that northern Lincolnshire can make to the project and reap the maximum benefit?

Greg Clark: I am always keen to meet my hon. Friend. Despite the fact that I have moved from one Department to another, I hope the invitation to fish and chips in Cleethorpes still stands.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I understand that the Secretary of State has met many businesses over the past few months. Will he list which of those businesses support leaving the single market?

Greg Clark: We are putting together the priorities for our negotiation in consultation with businesses in all parts of the country. The hon. Lady will have the chance to contribute to that through the Scottish Government, and we will publish it when we have finished.

Robert Jenrick (Newark) (Con): We have 50 Airbnb properties in Newark, and Uber has cut the cost of a night out in Nottingham by almost 50%. Will the Secretary of State follow the lead of his predecessor by supporting innovative, disruptive technologies rather than letting us bury our heads in the sand?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): My hon. Friend rightly highlights the importance of innovation in driving industrial growth, and it will undoubtedly be at the centre of the industrial strategy as it is rolled out.

Greg Mulholland (Leeds North West) (LD): Following the recommendation of the Select Committee to remove Paul Newby as pubs adjudicator, new evidence has emerged that shows that he failed to properly declare his interests and also misled the Select Committee. So far, he has refused to resign. Will the Secretary of State now restore confidence in that post by sacking him?

Greg Clark: My understanding is that the appointment followed a proper process. That is what I understand to have taken place, but I will look at the suggestions that the hon. Gentleman has just raised.

Several hon. Members rose—

Mr Speaker: Order. I am genuinely sorry to disappoint remaining colleagues. I have extended the envelope rather substantially, but we must now move on.
Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker. I have been contacted by leading business people up and down the country regarding the efficiency and effectiveness of Members of this House. There are informal ratings of how hard parliamentarians work, but there is no official kitemark. I wonder whether you could investigate whether we could look at which Members are fat or lazy and which ones are hard-working and innovative. Is it not about time we looked at Members—some of them in the leafy suburbs and leafy parts of Britain—who do not have much casework? They do not do very much—of course, we know that. Those in the towns and cities work much harder. Could we have an evaluation of who works hard in this House and a kitemark showing that to our constituents?

Mr Speaker: I am grateful to the hon. Gentleman for his suggestion through the device of a point of order. I ought, first of all, to say that there is nothing wrong with being fat—at any rate, it is certainly not for the Chair to pass judgment on these matters, and I would get into hot water, and very properly so, if I were to start casting aspersions on body shape. I will simply say, although I am sure the hon. Gentleman was not seeking my approbation, and he has no need of it, that he himself is slim, assiduous and endlessly energetic, as his continued re-election by the people of Huddersfield for the last 37 years, I think, readily testifies. At any rate, he appears to enjoy their enthusiastic approval. We will leave it there for now.

BILL PRESENTED

LASER PENS (REGULATION OF SALE, OWNERSHIP AND USAGE) BILL

Presentation and First Reading (Standing Order No. 57)

Rehman Chishti, supported by Maggie Throup, Mr Nigel Dodds and Martin Vickers, presented a Bill to make the sale, ownership and use of portable laser emitting devices with output power of more than 1 milliwatt unlawful in certain circumstances; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 64).

Unsolicited Marketing Communications (Company Directors)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.39 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I beg to move,

That leave be given to bring in a bill to enable the Information Commissioner’s Office to take action against company directors for breaches of the Privacy and Electronic Communications (EC Directive) Regulations 2003 relating to unsolicited marketing communications made by a company, and for connected purposes.

Since I was elected last year, I have been campaigning to tackle the scourge of nuisance calls, which blight the lives of far too many of our constituents across the United Kingdom. I can vouch for the fact that this is a huge problem faced by far too many of my constituents, and I know that there is a similar picture across Scotland and across the United Kingdom. It is time that named company directors of the companies that are responsible for nuisance calls are held to account instead of fines for breaches in the law being imposed on companies that then close down and are reopened under a different name, thus allowing fines for breaches of the law to go unpaid.

Being bombarded with nuisance calls and texts is not only an annoying interruption to people’s lives—it can be deeply distressing to the hundreds of thousands who endure them on a daily basis. They are a blight on the lives of too many members of our communities, and particularly upsetting for those who are vulnerable. Research from Which? last year found that 74%, or three quarters, of people with a landline and 58%—six out of 10—people with a mobile phone have reported a nuisance call. Six out of 10 people have indicated that cold calls have actively discouraged them from picking up their landline when it rings. While most of us—80%—say that we find cold calls annoying, one third of people receiving such calls admit to feeling intimidated by them, and about one third of people screen their calls to minimise unsolicited calls on their landlines. Beyond this, other things are worth remembering. Thirty-two per cent. of people who receive a nuisance call receive more than 10 calls over four weeks, and 12% of people receive more than 20 calls over four weeks. Thirty-five per cent. of these calls are marketing calls.

We are all forced to tolerate the appalling nuisance of aggressive and persistent marketing calls. However, Ofcom has found, disturbingly, that people aged over 55 and those who are unemployed tend to receive a higher number than any other group of people. There has been a clear trend showing a marked increase in the number of calls received by the over-55s. Many of us can choose to simply ignore calls if we suspect that a nuisance call is being made to us, but let us consider what happens if someone is elderly, frail, and dependent on their landline. They may either answer their phone when it rings or ignore their phone when it rings to avoid nuisance calls. If they do not answer their phone immediately, their relatives may think that something has happened to them—perhaps that they have had a fall. They need to answer their phone, but the cost of doing so is having to tolerate numerous nuisance calls each day. People are
those individuals would need to ensure that the company’s practices were in line with the law or face personal action, which could lead to disqualification as a company director in some cases.

The enforcement regime under the 2003 regulations is an extension of the enforcement regime under the Data Protection Act, which already includes a rule that allows individual company officers to be held accountable for certain breaches of it. However, that rule does not currently extend to breaches of the 2003 regulations.

This Bill would allow the Information Commissioner’s Office to take action against company directors for breaches not only of the Data Protection Act, but of the 2003 regulations. That means that the Information Commissioner’s Office could take action directly against directors where they allow their company to commit breaches or fail to pay fines. Where the director is convicted of a criminal offence, they could also be subject to disqualification.

That would help to tackle the root cause of this blight on our citizens’ lives in their very own homes. Technological advances mean that those who make nuisance calls can churn out automated calls at the rate of millions each day. This Bill would improve life for all of us. I believe that it would be welcomed by legitimate businesses, which face a crisis in consumer confidence, as rogue businesses undermine the entire relationship between legitimate business and consumers.

There is a huge amount of support for the alterations to the law that this Bill would make, with 79% of those surveyed agreeing that the directors of companies should be held personally accountable if their company makes these calls without the necessary permission. This Bill, importantly, would not incur any additional cost for the taxpayer, as no additional Government funding would be needed to implement or enforce it. Given the scale of the problem of nuisance calls, and given this Bill’s attempts to tackle the problem at source instead of tackling the symptoms, I commend the Bill to the House.

Question put and agreed to.

Ordered.

That Patricia Gibson, Kirsten Oswald, Dr Lisa Cameron, Roger Mullin, John Nicolson, Anne McLaughlin, Joanna Cherry, Corri Wilson, Alan Brown, Jonathan Edwards, Liz Saville Roberts and Hywel Williams present the Bill.

Patricia Gibson accordingly presented the Bill.

Bill read the First time; to be read a Second time on 18 November, and to be printed (Bill 65).
The Secretary of State for Culture, Media and Sport (Karen Bradley): I beg to move, That the Bill be now read a Second time.

12.49 pm

We live in a digital economy. Almost £600 billion of online sales were made in the UK in 2014. That is the largest per capita online sales figure in the world, of all the major economies, at just over £1,500 per head. To put that figure in context, it is more than 50% higher than that of the United States, which is the next highest valued market. The rate of job creation in digital industries is nearly three times as fast as in the rest of the economy; it was 1.56 million in 2014, and it is growing. Supporting the digital economy was core to our manifesto, and that is why this Bill is a central plank of the Government’s legislative programme in this Session. The Government are working tirelessly to help people and businesses to benefit from digital.

Sir Desmond Swayne (New Forest West) (Con): On that point about benefit, is the purpose of part 5 to claim rights of ownership over all data? The definition of benefit in clause 29 is so broad that I cannot think of a piece of information that would elude it. Can the Secretary of State name a piece of information that falls without that clause?

Karen Bradley: I thank my right hon. Friend for her intervention. When she was Secretary of State, she was involved in much of the work that has put us in the situation we are in today. That is an extremely good situation, but there is still much more to do. She makes an important point about new build, and I assure her that I am discussing it with my colleagues in Cabinet.

Albert Owen (Ynys Môn) (Lab): May I congratulate the Secretary of State on her new post and welcome her to it? I pay tribute to her predecessor and to the former Minister with responsibility for the digital economy, who did assiduous work on this. The Secretary of State mentioned 95% coverage by 2017 and linked it with mobile coverage, but many of the areas in the 5% that will not be covered do not have 4G or 3G coverage either. Will she tell the House that when the roll-out plan for universal broadband is done, she will consider giving that to areas such as mine, which could be a pilot scheme? It is a serious point, because if people do not have mobile or broadband, they do not have communications in the 21st century.

Karen Bradley: The hon. Gentleman makes an important point. I have a similar constituency, so I know well what it is like to be in the last 5%. This is all about connected and joined-up digital, and making sure that we give everybody access to the digital economy, whether they are in the final 5% or in the 95% that is already in the plans. I will say more about the universal service obligation shortly.

Lilian Greenwood (Nottingham South) (Lab): I welcome the Secretary of State’s commitment to shaping the digital world to ensure that no one is left behind. I’m aware that those who are deaf or who have hearing loss are being excluded by the lack of subtitled? That is required on linear television, but it is not provided on the vast majority of on-demand services. Will she look at that exclusion? There is a huge opportunity to amend the Bill, so will she think again about extending the Communications Act 2003 to include the deaf and those with hearing loss?

Karen Bradley: The hon. Lady makes a good point. I am aware of that point; it has been raised with me, and I am working on it with the Minister for Digital and Culture to improve the situation. I hope that the hon. Lady agrees that there has been progress in that area, but I fully take the point that we always need to do more. If she will forgive me, I will make some progress now, because I am aware that many right hon. and hon. Members want to contribute to the debate.

When it comes to broadband coverage, we are ahead of our major European competitors. In 2015, the UK maintained its No. 1 position for the widest access to superfast broadband, ahead of Germany, France, Italy and Spain. That connectivity drives business. Edinburgh, for example, has a thriving FinTech sector; Cardiff and Swansea have a particular specialism in cyber-security; Belfast’s strengths include app and software development; and Manchester boasts a world-class digital media cluster. The Government are supporting and enabling that, by providing funding through Tech City and supporting businesses through UK Trade & Investment.

Most fundamentally, we are ensuring that our citizens have the skills to keep the UK ahead. We were one of the first countries in the world to put computer coding in the national curriculum, and we are focusing on digital skills for adults, so that no one is left behind. The House may be interested to know that last year the most popular A-level was mathematics, and I am extremely pleased to hear that it is doing so well in the A-level stakes.

The Government are also digitally transforming. Our Government Digital Service has made us one of the world’s first “digital by default” countries—a model that has been copied around the globe. We are aggressively
modernising the way in which the Government interact with citizens. Managing information well brings benefits, such as allowing drivers to share their licence information with insurers and car hire companies, which makes transactions faster. There is a new system to ensure that the electoral roll tallies with benefits data to stamp out fraud, and there are automatic fuel discounts for vulnerable pensioners.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): On sharing information, does the Secretary of State agree that technologies such as blockchain will challenge how we share information and, critically for the financial sector, how we make payments more quickly and get rid of the middle man?

Karen Bradley: The hon. Gentleman makes an important point. We are already looking at this and trialling it. The more we can do to use data and digital to enable people to transact more quickly, the better. Clearly, we have the challenges of data protection; we must ensure that people’s data are protected. There is a tension, but it is one that we are acutely aware of and working on.

We can be proud of our successes, but the Government’s ambitions are greater than that. Although 19 in 20 premises will be able to access superfast broadband, one in 20 will not. For that significant minority, the Bill brings good news. Implementation of the new broadband universal service obligation will require the designated communications provider to connect customers on demand at an affordable price. Eventually, technological developments will allow everyone to have a superfast connection, but until then the Bill will provide a safety net, so that by 2020 a minimum broadband speed of 10 megabits per second should be available. [Interruption.] The hon. Member for Rhondda (Chris Bryant) murmurs from a sedentary position, but that is the absolute minimum safety net.

Chris Bryant (Rhondda) (Lab): I can never resist the hon. Gentleman.

Karen Bradley: I am sure my right hon. Friend the Member for Wantage (Mr Vaizey) will be delighted to be admired by the hon. Gentleman, but the hon. Gentleman is simply misrepresenting the position. Is he saying he is opposed to that position? Is he saying he is opposed to the Bill? Is he saying he is opposed to the measures in the Bill, which will make sure we have the maximum roll-out so everybody has access to broadband?

Karen Bradley: I am sure my right hon. Friend the Member for Wantage (Mr Vaizey) will be delighted to be admired by the hon. Gentleman, but the hon. Gentleman is simply misrepresenting the position. Is he saying he is opposed to that position? Is he saying he is opposed to the Bill? Is he saying he is opposed to the measures in the Bill, which will make sure we have the maximum roll-out so everybody has access to broadband?

Karen Bradley: The hon. Gentleman should listen to the rest of my speech and then support the measures the Government are introducing. We want to make sure that we deliver—to ensure that there is access to broadband, that there is access to 4G and that everybody is connected.

Damian Collins (Folkestone and Hythe) (Con): Does my right hon. Friend agree that, notwithstanding the comments of the hon. Member for Rhondda (Chris Bryant), no infrastructure, resources or finances were in place to deliver the USO previously, and that substantial progress has been made during the past six years to get on with the job?

Karen Bradley: My hon. Friend hits the nail on the head, as he always does. He is absolutely right. I want to make it clear that the Government will not allow people to be left behind. Whether they are running a business, staying in touch with distant family, watching catch-up television or helping children with homework, everyone should have a right to decent connectivity.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Will the Secretary of State give way?

Karen Bradley: I want to make some progress, if the hon. Gentleman will forgive me.

To engage citizens digitally, we need the market for communications services to work for them. They need to be able to assess quality, and they need to navigate an increasingly complex array of choices. They also need to be confident that in making such choices they will not suffer hassle and disruption, and end up disconnected and out of pocket. The fact that recent surveys show that less than half of respondents trust their communications provider and that customer satisfaction in the sector is low is a real worry. The future of our economy depends on digital connectivity, and the Bill will address these problems head-on.

Consumers need information, but not the spreadsheets and reports that Ofcom produce. During the summer, the Competition and Markets Authority argued that to guide consumers in choosing banking services, apps need to be developed to guide consumers through the plethora of different products. This is no gimmick. These are technologies to empower consumers and drive the economy, and the communications sector is no different. The Bill provides the necessary powers to ensure that we can deliver this change—informing consumers, helping them to switch providers and compensating them if things go wrong.

Underlying such support for consumers, we need a strong and effective regulator that is able to tackle market failures and to keep the system in balance. Ofcom needs to make important decisions not just on implementing consumer-switching regimes, but on how core infrastructure is accessed and shared, how the radio spectrum is licensed and managed and how we can grow connectivity and capacity, migrating from yesterday’s copper to tomorrow’s fibre technologies.
Karen Bradley: I will take two quick interventions.

Matthew Pennycook: This is related to the right hon. Gentleman’s point. What comfort can the Secretary of State offer my constituents, in relation to developments in the heart of our capital city without fibre connectivity, who are trying to engage with BT Openreach to get a connection and are getting no response, even through me?

Karen Bradley: I suggest that the hon. Gentleman contact me, and I will make sure that those points are raised. In response to my right hon. Friend, I have been clear that we will not stop or cease until we get the right result. If that means the structural separation of BT and Openreach, this Government are prepared to consider that. Ofcom has made some recommendations. We are looking carefully at them, and Ofcom is consulting on them. We need to make sure we get it right and that we get this delivered, but nothing is off the table.

The Bill will ensure that Ofcom is held to account, but not at the expense of delay and intransigence. As well as holding industry to account, we must of course be supportive. The Bill will bring billions of pounds of benefits to industry. The new electronic communications code recognises that digital connectivity is as important as a connection to water or electricity supplies. Providing new rights to install communications infrastructure will herald a revolution in rural connectivity, bringing the digital economy to all parts of our nation.

Mrs Theresa Villiers (Chipping Barnet) (Con): I would be very grateful if my right hon. Friend outlined how the reforms—for example, to prevent abuse of the wayleave system—will reduce the costs of providing infrastructure, so that places such as my Chipping Barnet constituency can get full access to fast fibre broadband?

Karen Bradley: If my right hon. Friend will allow me, I will come on to that later in my speech.

As well as reforming land rights, the Government are reforming the planning system. I think that my right hon. Friend was referring to that. The Minister for Housing and Planning will shortly introduce regulations to ease the installation of vital masts to fill not spots.
Thirdly, we will help to protect businesses from attacks on their intellectual property. Burglars can be sentenced for 10 years in prison, but the criminal gangs making vast sums of money through exploiting the online creations of others only face a two-year sentence. We will increase the sentence to 10 years. Criminals such as Paul Mahoney, who profited by almost £300,000 and cost industry millions by facilitating access to illegal films on the internet, need to be sent a clear message. We need to ensure that enforcement agencies and their partners have the right set of tools to tackle all types of piracy, which is why those measures are so important. We will make it easier to register designs, cutting costs for our creative industries while increasing protections.

As we build our digital economy, investing in infrastructure and empowering citizens, the Government must transform and become more digital. The Government want to use and manage the vast amounts of information we keep better. Let me be clear that that is not to develop some Big Brother state that sees and knows everything. We want to manage information better for the same reason that shopkeepers, farmers, insurers, car manufacturers, educators—practically anyone in our economy who has ambition—do. Quite simply, we want to deliver better services—to create, to improve and to deliver in the public interest, for the citizen’s benefit.

The Bill will allow public services to be targeted and delivered better. If one arm of the public sector knows who needs a service and the other arm is trying to deliver that service, the two need to be brought together, to work for the public benefit. Of course, we are doing that already in many places, but often only after legislating to enable specific data-sharing arrangements. All that takes time—time we do not have and can now save because of the Bill.

As the private sector knows well, information is a mineable commodity, from which value can be extracted. That value to the Government will come in better decisions, based on quality research and statistics. The Bill will allow us to spot problems and grasp opportunity for the benefit of everyone.

We will shortly be publishing the draft BBC charter for the next 11 years. My right hon. Friend the Member for Maldon (Mr Whittingdale) led one of the largest and most open consultations ever conducted, and the new charter will provide the foundations for a stronger, more competitive and better service to the benefit of everyone.

Andrew Gwynne (Denton and Reddish) (Lab): Will the Secretary of State give way?

Karen Bradley: I am about to conclude and I know many Members wish to speak, so I hope the hon. Gentleman will forgive me.

The Bill will provide the necessary powers to enable Ofcom to take on its new regulatory role and to allow the BBC to manage TV licensing for pensioners.

The Bill is good news for all. It is good for people wanting to get online, for telecommunication companies wanting to grow their sector and build consumer confidence and for creative industries wanting to protect their creations property and have an economy to sell into. It is good for families wanting to help their children with homework on the internet, without stumbling across harmful material.

It is also good for civil servants who want to be entrepreneurial and deliver better services and for people who want to transact with the Government efficiently, without burdens and unnecessary. We will grow the economy and we will grasp the future. I commend the Bill to the House.

1.12 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I think we can all agree with the Secretary of State that we are living in a digital economy. Indeed, one of the relatively few subjects that can unite the House now is the importance of that economy. It gives me great pleasure to respond for the Opposition on this subject, particularly as a chartered electrical engineer—that is a declaration both of interest and of pride.

The smallest of British businesses can now have global reach through e-commerce. Artisan craft makers can trade on Etsy with very low transaction costs. Even the most niche products can be sold around the world to their fan bases. You may not be aware, Mr Speaker, that there is a T-shirt dedicated to you, with the slogan “Fear the Speaker”, which is available on the internet for your fan base. All markets can be catered for—

Chris Bryant: And all sizes!

Chi Onwurah: Yes, all sizes, as well.

We know that the International Trade Secretary believes that our businesses are lazy, but I know many that are cutting a swathe through the internet, as opposed to the golf course. Greater connectivity can help businesses to work on the move or to use new workspaces rather than traditional ones. We are also seeing new types of work, new products and markets, and digital tools that help current businesses to be more effective. Whether it is farmers relying on GPS to guide their tractors or start-ups using blockchain to address financial inclusion, digital infrastructure, tools, skills and platforms are the building blocks of the British economy.

The good news is that we are a great digital economy—indeed, we are Europe’s leading digital economy. We are only at the start of the digital revolution, with the internet of things, big data and artificial intelligence set to transform the way we live and work. Now is definitely the time to bring forward a Bill to set out the vision and policies to place the UK at the top of the global digital economy. Sadly, this is not that Bill. TechUK, the digital sector trade body, described it as fixing some basics. That was rather generous. The Bill is an excellent example of that old “Yes Minister” trick of putting the difficult part in the title so it can be ignored in the document itself.

There are some good measures in the Bill, so let me begin with those. First, the universal service obligation is a long overdue half-step in the right direction. The last Labour Government left fully costed plans for universal broadband coverage by 2012. [Interruption.] I am afraid that is the truth. Members may not like it, but it is in the documents—I helped write them. The Conservatives’ bungling procurement process and total lack of ambition left many behind, particularly in rural economies. The National Farmers Union and the Countryside Alliance have been vocal in highlighting the Government’s shortcomings so I will add only that...
Chi Onwurah: Absolutely. That is one of the areas on which we will seek much greater clarification.

While celebrating the contribution of the creative industries, we note the Government have not taken the opportunity to update authors’ rights for e-book lending. This part of library lending is growing despite, or perhaps because of, the drastic cuts to library services under this Government, so would now not be an opportunity to update those rights?

There are a number of areas where we have significant concerns. The BBC is one of the cornerstones of our £84 billion creative industries. Its successes are something that we on the Labour Benches celebrate. Protecting the BBC is crucial. The Bill makes policy for funding TV licences for the over-75s the responsibility of the BBC. The National Union of Journalists estimates it will cost the BBC £1.3 billion over five years, and then £750 million each year. That represents a 20% cut in licence fee income, which could pay seven times over for our 30 local BBC radio stations or fund Radio 4 eight times over. It could pay for 30 “Great British Bake Offs”. Ministers would do well to consider that before depriving the British public of their favourite shows. We accept that funding and policy must go together.

The Minister for Digital and Culture (Matt Hancock):
On the crucial issue of “The Great British Bake Off”, of which I am an enormous fan, I hope the hon. Lady will correct what she just said and acknowledge that, after today’s announcement, the programme will remain on free-to-air terrestrial TV, on Channel 4.

Chi Onwurah: I thank, or at least I think I thank, the Minister for that intervention, but it is clearly not going to be on the BBC and that is clearly a question of funding. The Government are cutting funding to the BBC significantly. If that is not going to be the case, I look forward to an announcement from the Government that they are withdrawing those measures. My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams), the shadow Secretary of State for Work and Pensions, has described this as “a slippery slope towards further outsourcing of a social security system under siege.”

The Bill is not only notable for its inability to respond to the challenges it sets itself; it should be infamous for not even considering the challenges the digital economy presents. It has little to do with the digital economy itself and much to do with the Government’s culture of cowardice when it comes to addressing the key challenge of the digital economy: data. The only measures on data seem designed to extend the current public sector data sharing chaos to a complete free-for-all. Our data are at risk with this Bill. We do not own the data and we are not safe. Anyone can take them and the Government decide what others should see of them.

The Government want to make sharing public data easier if “benefit” can be shown, but that benefit will be decided without proper public scrutiny—indeed, without any debate. Where has the debate been?

Antoinette Sandbach (Eddsbury) (Con): A number of fuel poverty initiatives have requested data sharing so that help and assistance can be targeted. Does the hon. Lady not agree with that kind of initiative?

Andrew Gwynne: My hon. Friend touches on an important point. She will know that one proposed change relates to the cable and online transmission of programmes put together by public service broadcasters, and the income they will potentially lose. Will she test the Government in Committee on the timescales for introducing those measures, because I know that the BBC, ITV and other public service broadcasters want the measures in place sooner rather than later?
Chi Onwurah: Data sharing, as with much of the new and fantastic technologies of the digital economy, can bring huge benefits to making public and private services more effective. However, they need to be used in the context of a framework where we have a sense of data ethics, data principles and the rights of citizens whether they are in fuel poverty or not. We are perfectly capable of achieving that, but we need a Government with the vision to instigate a debate and to set out the right transparent framework. Unfortunately, the Bill just does not do that. As we saw with the failed care.data attempt at NHS data sharing, when the Government fail to set out a proper and transparent framework the cost is borne by a lack of public trust in those services.

Matt Hancock: Before the hon. Lady proceeds, she might want to acknowledge the two-year open policy-making process that has underpinned the data measures. She is very welcome to participate in that process, but has so far refused to engage.

Chi Onwurah: I hope the Minister will not continue to use my speech to make inaccurate points. I am very well aware of the data sharing debate. I am also very well aware that it was rounded off without proper agreement on the conclusions. I look forward to the Minister setting out exactly where the agreement that led to the current proposals was debated and agreed with all the stakeholders. He knows very well that he is unable to do so.

The failure to set out a data framework matters now, but it will matter even more in future because the new generation of technology, such as the internet of things, is going to increase exponentially the generation and use of data. To take smart meters as just one example, when security is designed into the smart energy code for energy metering there is no regulatory framework for the data about our homes: when we start making the tea, what time our children go to sleep and when we lock the back door. The previous Secretary of State for Energy told me that the data would belong to the energy companies. She then retracted that statement, but clearly had no idea who the data would really belong to. I doubt she can tell me more now that she is Home Secretary.

Martin Docherty-Hughes: On that very point about data sharing, does the shadow spokesperson not agree that technology such as blockchain will allow individuals and households to maintain specific information that energy companies might require?

Chi Onwurah: It is certainly the case that distributed ledger technology can have great applications in promoting openness, and consumer and citizen trust. Again, however, it has to be set out in the right framework with the right principles. We need a progressive ownership framework for data, one that is debated and discussed by everyone, including those not online. The Government must deliver an effective data regulation framework for the digital era. Without that, the digital economy will be hamstrung by peoples’ fears and companies’ confusion.

Unfortunately, that is not the only gaping hole in the Government’s Bill. The Government cannot tell us who will have access to our digital identities. In order to download an app from Google Play, people must have a Google account, which can then be used to identify and control their device. Who owns that identity? The Bill has nothing to say on cyber-security, despite it being one of the critical challenges of the digital economy. The Bill introduces instead bulk sharing of civil registration data, described by one commentator as suspiciously like an ID card through the back door.

The Bill has nothing to say either on work in the digital economy. A new economy brings new types of jobs and a new set of labour relationships. The Uber driver, the Deliveroo rider, the TaskRabbit worker—none of these workers are employed by the companies they work for; they are all managed by algorithms. The Bill does nothing to protect workers from extra-casualised work, compressed wages, few rights and almost no recourse to justice in the new intermediary economy. These firms are the future, but we must protect the workers of the future, too.

It is not only workers who are impacted by algorithms. Uber knows a person is more willing to accept higher or “surge” prices when their phone is about to run out of battery. They say they do not use this information to charge higher prices, but we have no way of verifying that. I am told that one well-known web-dating site has its algorithm optimised for short-term relationships, which maximises its revenue. Do the people paying their fees know that?

These criticisms are not an attack on the digital economy. I am a tech evangelist. I want the UK to see the advantages of a digital Britain, but that means the whole of the UK. Technology brings astounding new opportunities, but millions of people and businesses are left behind because of their lack of digital literacy. In 2014, Santander found that 34% of UK businesses looking to export do not have their own website, and last year ComRes found a quarter of the capital’s firms have little or no online presence.

In addition, the Government are doing little to tackle harassment and threats online. Our lives are increasingly lived on the internet. There would be an outcry if women did not feel safe walking down the street, yet many do not feel safe going online. Now is the time for a Bill to ready the country for the new digital world, but the Government are guilty of another half-hearted attempt to respond to the 21st century.

We shall not oppose the Bill on Second Reading, but the digital economy deserves better. Instead of leaving a positive legacy, the Conservatives will leave us with another missed opportunity—one whose legacy will be with us for decades to come.

1.33 pm

Mr John Whittingdale (Maldon) (Con): It is a pleasure to welcome the Digital Economy Bill, not least because it still has my name on the front of it. Indeed, my right hon. Friend the Member for Wantage (Mr Vaizey) and I can claim a degree of joint paternity on this particular measure.

Chris Bryant: Steady!

Mr Edward Vaizey (Wantage) (Con): It is a beautiful Bill!

Mr Whittingdale: We were very close in our ministerial team!
The Bill is something of a Christmas tree and contains a number of different measures within it. Let me speak first about the two major provisions, which both relate to connectivity. The reform of the electronic communications code has been something that communications providers have been urging for a considerable time. Indeed, it was part of the deal struck with mobile phone providers by my right hon. Friend the Member for Bromsgrove (Sajid Javid) in return for their guarantee of extending coverage. An attempt was made to introduce it in the Enterprise Bill in the last Parliament. It has been around for a long time.

I found out from my own constituency about 18 months ago that Vodafone had a problem with one of its transmitters, which led to a large number of my constituents losing the service. That was impossible to put right for something like eight weeks as a result of Vodafone being unable to access the transmitter.

Mr Jim Cunningham (Coventry South) (Lab): The right hon. Gentleman will know that I raised the issue of BT with him on a number of occasions, particularly with respect to small businesses in Coventry that are struggling with the services they get, along with the general public as a whole. Does he agree with me that it is about time that somebody had a good look at doing something about BT?

Mr Whittingdale: I do agree. I shall say a few more words about it in a few moments, but I generally agree with the hon. Gentleman. As for the code reforms, these will make it easier for communications providers to maintain and repair their equipment. This is now an essential part of ensuring that we have an adequate infrastructure.

Chris Bryant: The right hon. Gentleman says that it will make it easier for providers to repair, but it will not. It makes it easier for them to put new masts up, but it does not make it easier to repair them, particularly when the groupings of “whips”, as they are called—they enable different mobile companies to use similar masts—are expressly excluded. Does the right hon. Gentleman think it would be advantageous to change the Bill in order to allow them to be included?

Mr Whittingdale: I believe that access to wholesale infrastructure providers’ masts is regulated by Ofcom in any case. We were advised that this was not a significant problem, although we looked at it quite closely at the time. We decided that it was not necessary to extend the provisions to cover wholesale infrastructure providers.

One thing I would say to Ministers is that alongside the reform of electronic communications codes, there have been some welcome changes to planning laws, which will enable higher masts. As we move into the next generation of 5G services, a huge number of very small transmitters are going to be required, which might need to be attached to lamp posts in cities, for example. We do not want to need individual planning applications for every single one. Given that 5G is coming down the track fast, we might need to look at planning laws again. I leave that issue with the Minister.

Provisions on the universal service obligation are also a major step forward. Whether or not the USO is a legal necessity remains to be seen, but it is certainly sensible to put the provisions in the Bill. BT is already saying that it can deliver it without a legal requirement, but this should certainly spur it on in its efforts to demonstrate that that is possible. The hon. Member for Coventry South (Mr Cunningham) raised his concerns about BT. Now is not the occasion to rehearse all the arguments for a digital communications review. Ofcom has, I think rightly, put forward proposals to make a clearer separation between Openreach and BT Retail, but there is still some concern that those proposals do not go far enough. It will be necessary for BT to make it absolutely clear that there is full separation and a level playing field. I say to Ministers that they will want to look at that carefully. If it is not working sufficiently, it will need to be revisited.

Ofcom is obviously playing a key role throughout this process. One measure we thought about for a long time was Ofcom’s request for changes to its appeals procedure. BT has strongly opposed that, but Ofcom believes it to be necessary. One reason why it is necessary is that it has become apparent in recent years that almost every single decision taken by Ofcom is promptly challenged in the courts. Ofcom is not determining these matters; they are being determined by the judicial process that is then triggered by the communications provider. That is not how it was supposed to work, and it has resulted in lengthy delays in putting through some quite important measures. On balance, the change to the nature of the appeals process—the hurdle that has to be met to allow a judicial challenge—is a sensible one. This has become apparent simply because of the number and extent of the judicial challenges that have occurred over the last few years.

Let me say a few words about one or two other measures in the Bill. Copyright is one of them. I am delighted that the Bill equalises the penalties for online and offline copyright infringement. I have brought with me a copy of the Select Committee’s report “Supporting the Creative Economy”, published in September 2013. One of its key recommendations was that the penalties should be equalised, and that it should be made clear that infringement of copyright online was as serious as infringement offline. That will send a clear message, but more still needs to be done.

As my right hon. Friends will know, the Conservative party manifesto stated that we would put pressure on search engines to try to prevent illegal sites from coming up at the top of a search. I know that round-table discussions have been taking place for a considerable time, but it is a matter of great concern that no significant progress has yet been made. In the most recent attempt to find out whether or not there had been an improvement, a Google search was made for “Ed Sheeran Photograph” and the legal site was YouTube, which, of course, is owned by Google.

Dr Rupa Huq (Ealing Central and Acton) (Lab): I am sure that the right hon. Gentleman is much missed by Members on both sides of the House as we debate this Bill. He said that Ed Sheeran’s song was available on illegal platforms. Does he agree that technology companies,
and platforms such as Google and YouTube, should be compelled to list only legal sites? At present, the pirates are sometimes listed higher than legal sites, and our British musicians who contribute, I believe, £4 billion annually to the economy are losing out as a consequence.

Mr Whittingdale: I think it would be unrealistic to expect Google to establish whether every single site was legal or illegal. What it can do is react when illegal sites are brought to its attention. It does de-list, but new sites then appear immediately. There have been a vast number of complaints from rights owners about particular sites, but they should tweak their algorithms so that those sites no longer appear at the top of the search listings. Measures of that kind have been under discussion for months and months, but the problem still exists.

I suggest to my right hon. Friend the Secretary of State that there may well be a case for including a legal provision encouraging providers to establish a voluntary code. As she may remember, the Digital Economy Act 2010 contained measures to deal with illegal downloads. That led the industry to reach an agreement with the internet service providers, which made it unnecessary ever to use the law. When it comes to incentives of that kind there may well be a case for legislation, because we cannot allow Google and other search providers to go on allowing people access to illegal sites.

Another matter relating to copyright, which has already been raised, is the repeal of section 73 of the Copyright, Designs and Patent Act 1988, which exempts the cable companies from having to pay copyright licence fees. The original justification for the exemption was that it would encourage the roll-out of cable, and it has largely been fulfilled. However, the law has been abused, particularly by something called TVCatchup which has used it to steal copyright material and make it available without paying any licence fee. The repeal is, I think, absolutely right, although it leaves a question about the relationship between the cable companies—particularly Virgin—and the public service broadcasters. I hope that that can be settled by discussion between them, but Ofcom may still need a back-up role in connection with the must-carry provisions.

The other big issue covered by the Bill is pornography—which, again, has already been mentioned—and age verification. The Bill does not specify how age can be verified, and I must say that I am not entirely sure how the providers will do that. It will not be sufficient to include the question “Are you 18?”, along with a box to be ticked. On the other hand, requiring the user to submit, for instance, a credit card number potentially raises big issues relating to privacy. We must bear it in mind that the content that is being accessed is perfectly legal. Of course it is right for children to be prevented from accessing it, because that can be harmful, but it is legal content for adults, which is why I think the Bill is right not to go as far as blocking access to websites that are providing legal content. However, there are still big questions to be asked, and I am sure that they will be explored in Committee.

I agree with the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) that the Bill should have contained cyber-security measures, and perhaps I should take some responsibility for that. Cyber-security is one of the great challenges facing our country, and I know that Ministers take it very seriously. At present, telecoms companies are required to report a cyber-attack—which TalkTalk had to do not so long ago—but that requirement is restricted to telecoms companies. The truth is that every company is being subjected to cyber-attack, and I think that in the event of a significant breach resulting in the loss of data affecting large numbers of people, companies should make it public and tell their consumers. That is not currently within the law, and we may need to consider it again.

Generally, however, I think that the Bill contains a number of very important provisions which will hasten our progress towards the establishment of a fully digital economy.

1.46 pm

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): I welcome the opportunity to speak about such an important Bill, which contains several measures that SNP Members welcome. We welcome long overdue changes in provisions such as the electronic communications code, moves towards greater consumer protections, and steps that are designed to promote more connectivity. However, I know I am not alone in thinking that the Bill’s title is a bit of a misnomer. At a time when the British economy, with its woeful record on productivity, is crying out for a vision to ride the wave of technological change, we have a Bill that is somewhat cobbled together, and is vague and unambitious. Although it contains several welcome measures, it offers little in the way of direction or strategy. The Conservative manifesto pledged to make the United Kingdom a world leader in digital provision—a place where technology would ceaselessly transform the economy, society and government. I ask all Members to consider whether the Bill really lives up to that vision.

We really should contemplate the remarkable next phase of the information revolution. Phenomenal access speeds through fibre and 5G will allow us to realise the potential that is the internet of things. If we get this right and make the most of these opportunities, technology truly can power our economy. In Scotland, the moves that we are making on that front are strong and unequivocal. The SNP is committed to a manifesto pledge of 100% superfast connectivity. We do not see any reason why connectivity—which is of even greater significance in a country like Scotland, which has a low population density—should be determined on the basis of whether people live in rural or urban areas.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): Does my hon. Friend agree that, despite the Secretary of State’s claims in her opening speech that we were soon to have 95% coverage, that does not apply in many communities? Not only is the last 5% often the most difficult and expensive to provide, but the oft-quoted figure is in fact much higher in many of those communities.

Calum Kerr: It is realistic to assume that more like 25% of my own constituency will not be covered. The concentration of the 5% can be great in rural areas in Scotland, in particular.

A theme to which I shall return is the desire for the Government, with our support, to show more ambition. As the right hon. Member for Wantage (Mr Vaizey)—the former digital Minister—put it, they should embrace McBroadband. Never mind your 10 megabits; let us get
superfast everywhere. That is a key ambition on which I hope the present Minister can trump his predecessor. Rural areas already have to deal with poor connectivity. We have poor roads and highways; let us not have equally poor digital superhighways, because digital is becoming ever more important. The Government talk about it as a fifth utility, but with that rhetoric—that status—comes a greater responsibility upon them, providers and regulators to provide equality of access. As we talk increasingly of forms of digital citizenship, it is vital that the large swathes of the country that could be left behind do not become left behind as second-class digital citizens.

We welcome the introduction of a universal service obligation, but, as the Scottish Government pointed out in Ofcom’s digital communications review, it is important that the USO is dynamic and capable of evolving over time. Rather than a one-size-fits-all approach, the USO should be framed in such a way that it offers maximum flexibility and does not offer substandard solutions as we try to hit a minimum standard. Ultimately, we want a USO that helps to incentivise network providers to push fibre further and empower communities, perhaps through a voucher scheme or other mechanisms that support local ambition. We want to ensure a framework that does more to improve rural coverage and protects the interests of rural consumers, rather than cementing a digital divide.

The key to an effective USO will be in its delivery. That is a matter that this Bill refers to Ofcom’s technical analysis, but it is worth noting that a simple headline figure of 10 megabits download is flawed. First, a truly effective USO needs to consider not just basic download speed, but upload, latency, data limits and, of course, cost. Everyone should be entitled to a fair standard of broadband, and that is about a lot more than just download speed.

To return to the other point I mentioned, do we really think 10 megabits will be considered sufficient by 2020? Why do the Government think the bar should be set so low? The SNP challenges the thinking that sees 10 megabits as adequate. I found some of the briefings depressing to read, and they smacked of vested interests who, in their desire to leave markets open for future commercial activity, think rural areas should be sacrificed and given a lesser service, which is totally unacceptable.

Beyond any technical aspects of the USO, Parliament should have an ongoing role to play, especially in the matter of funding. I personally believe there is a strong case for an element of public funding, rather than just relying on the industry or an industry levy, but if the option of an industry levy is to be pursued, we would encourage the Government to cast the net as wide as possible, to cover all who benefit from the digital economy.

We welcome measures to improve the ability of consumers to switch providers with maximum ease, and we want to look closely at measures to incentivise quality of service, to ensure these incentives are universal. The Government have missed an opportunity, which I hope they will reconsider, to introduce measures advocated by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—what a magnificent constituency name that is!

Pete Wishart (Perth and North Perthshire) (SNP): It’s almost as good as yours.

Calum Kerr: Yes, Berwickshire, Roxburgh and Selkirk is very good, too. But self-praise is no praise.

My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey gained support from Ofcom and the Government for allowing customers who have signed up to mobile contracts to switch or cancel if they find they have inadequate coverage, and I encourage the Government and Ministers to revisit this and consider whether it might be more explicit.

It is not just in the wired world that change is needed. We welcome the long-overdue measures to reform the electronic communications code.

Mr Vaizey: Hear, hear.

Calum Kerr rose—

Pete Wishart: I think the hon. Gentleman liked that.

Calum Kerr: Yes, I think he did.

Chris Bryant: Self-praise is no praise.

Calum Kerr: You get no praise at all then—pot/kettle, by the way. My eyes are still running at the thought that the love child these Ministers gave birth to was a Christmas tree; that made my eyes water.

We are glad that the long-overdue measures to reform the electronic communications code are being brought forward, especially when we consider that the code has not really changed since the introduction of many of the digital technologies we now take for granted.

While we support these changes, the system that is put in place must have a balanced approach. Providers must not be held to ransom, but, likewise, landowners should be entitled to receive fair compensation. On top of that, when taking forward such extensions to permitted development, we need to ensure an appropriate balance is struck between facilitating the roll-out of such infrastructure and having appropriate planning controls on the impacts of such development on amenity and the environment.

A particular area of concern is the way in which existing agreements will be affected by these changes, as the shadow Minister raised. This is a key area that we will want to look at in Committee. It is vital that where public assets are used for the siting of equipment, the loss of income to the public sector is considered. The Government need to outline how they will reconcile the code with the Treasury’s Green Book requirement to obtain best value from public sector assets. It is important for these measures to take account of who current landlords are. In many instances, they are local authorities or the fire service, for example, and in Scotland not an inconsiderable number are the Forestry Commission. While we understand the Bill is not retrospective, substantial amounts of money could come out of the public purse when contracts come up for renewal.

Of course, increasing coverage is welcome, but a key question that the new code raises is whether mobile operators should be allowed to renew old contracts on the same basis as the new regime, or whether we should
have a different regime for renewal. We should also consider commitments on any savings being reinvested in infrastructure.

My party welcomes the fact that independent operators are excluded from the provisions of the new code. Only about a third of UK mast infrastructure is shared, whereas in some countries, such as the United States of America, it is about 80%. It is important as we go into the Committee stage that we do not allow these independent operators to be pulled into this legislation. I agree with the former Secretary of State, the right hon. Member for Maldon (Mr Whittingdale), that this is already covered under Ofcom, and it strikes me as somewhat perverse that at the time when we are having a big discussion as to whether Openreach should be independent, we do something that might damage independent infrastructure in telecoms provision.

We also welcome some of the adjustments the Digital Economy Bill makes to spectrum policy in these islands. Although it highlights fixing mobile coverage, reform of the code will go only so far. The most powerful lever we have remains licensing, so when it comes to the next round of licences, let us look at far greater coverage and consider setting conditions for licences that meet a higher standard in terms of population and geographical coverage. We also encourage the Government to look at how spectrum policy has been developed in other countries, such as Germany where an “out to in” strategy ensures that rural areas, rather than getting left behind, are done first.

The measure contained in the Bill relating to compensation is overdue, especially as the digital communications review laid bare some fairly stark statistics on how poorly the sector has performed in customer service. Disappointingly, but perhaps not surprisingly, there was some pushback against this idea in some of the briefings. However, the sector has had its chance, and everyone recognises the need to improve. It is clear that we need to do something about automatic compensation. We need to reject the arguments from the sector that automatic compensation would inhibit the management and maintenance of good quality networks.

I worked at the same company as the shadow Minister, the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), some years ago—a Canadian company called Nortel. I did not have the technical expertise she has, but even I know that when you build a network, you build it to be secure and resilient and you build it in such a way that it can be upgraded and maintained. Perhaps the operators think that everyone in this House can be hoodwinked by a couple of technical excuses, but let me assure them that we cannot. This is clearly an area in which policy will have to evolve. We need to come up with a scheme that is fair but we also need to look at the behaviour of the operators and look for the improvements that the Bill is intended to drive. It is not meant to be penal; it is meant to drive improvement.

When we talk about customer service, we also need to consider the changed world in which we live. In the days of telephony, the question was simple. It was a binary system that either worked or it did not; it was either on or off. In the age of the internet, things are far more complex. A headline download speed is not a guaranteed download speed. Services are contended, and I would contend that that highlights the need for services to be granular. We should look at the average speed that a customer can expect, as well as the maximum speed. People would then have a clear choice and be able to sign up for a service that does what it says on the tin.

The SNP welcomes the introduction of age verification for online pornography, but we have concerns around how the measure will be enforced. We will need to look carefully at this in Committee. With so many sites based overseas, the challenge of tackling non-compliance will be complex. The Government should consider going further and look at steps such as transaction blocking in response to non-compliance. They also need to do more to put in place incentives for compliance, and we should consider measures that would offer the regulator the option of blocking sites that are non-compliant. We welcome the provisions in the Bill, however.

We share the Opposition’s reservations about the outsourcing of policy on TV licences to the BBC. In Scotland, we have recently classified loneliness as a health issue, and clearly benefits relating to those in old age have a significant role to play in tackling this. We recognise that the Government’s decision to pass the baton on this policy to the BBC is based on a financial settlement, but we want to challenge the thinking in this whole area when the Bill reaches Committee.

We believe that public sector broadcasting always needs to be challenged and updated, but we acknowledge its unique role in society and we are fundamentally supportive of it. We therefore welcome the repeal of section 73 of the Copyright, Designs and Patents Act 1988 and recognise the importance for public service broadcasters of having the ability to realise the value of the content they create. This is a long overdue step and we join the calls from across the House for the Secretary of State not to hesitate in putting these powers in place.

On intellectual property, we are supportive of the changes in the Bill that will give the protection of intellectual property online a status that is equivalent to the regimes in place for offline material.

Pete Wishart: I am glad that my hon. Friend has reached this part of his speech. Like me, he welcomes the move to make an online infringement the same as a physical infringement, but does not the Bill need to do more? We really need to tackle the culture of the major search engines and the value gap between those who create the wonderful content that we have in this country and those in big tech who earn money from it. Does he agree that we need to introduce measures in Committee to tackle that issue?

Calum Kerr: I absolutely agree with my hon. Friend, and I look forward to tabling specific amendments in Committee.

We on these Benches also offer our support, albeit with reservations, for the measures in the Bill relating to digital Government and information sharing. We welcome the recognition that the Government need to move towards being “digital by default”, and we understand the huge benefits for citizens and for Governments that new approaches to digital and information sharing can bring. Our concerns relate to how these measures will be executed and implemented.

Securing the trust of citizens will be vital in harnessing the power of data to improve the workings of the Government, but we do not want to offer the Government
a blank cheque on these matters. We have concerns about the lack of detail on how citizens’ data would be put to use and what form of protection would be put in place to cover areas such as human rights, privacy and data ownership. There is a clear logic, on a purely technical matter such as the universal service obligation, in enabling legislation to allow the detail to be defined by an external agency, but this is an area that requires ongoing parliamentary oversight and it is not clear at this stage how such an obvious democratic requirement will be met.

Scotland already has a well-established data linkage framework and a set of guiding principles designed to proportionately balance the risk to confidentiality against the public benefit of using data for research. The Scottish Government will want to be fully involved in the development of the relevant codes of practice that will govern the disclosure, use and processing of information under these powers. In summary, we welcome several measures in the Bill, which covers a wide range of areas, but we are committed to pushing for much greater clarification and, where we can, for much more ambition as the Bill moves into Committee.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I suggest that Members speak for up to 10 minutes, including interventions. We should then be able to get everybody in.

2.7 pm

Sir Alan Haselhurst (Saffron Walden) (Con): I am grateful for this opportunity to make a contribution to the debate on the Second Reading of the Bill. I cannot help feeling the need to pinch myself when we have a Bill of this nature before us. It seems like only yesterday that we were attending protest meetings in our constituencies at which concerned parents expressed the view that the erection of a mobile telephony mast would endanger their children's health. Similarly, it seems like only the day before yesterday when we could not have imagined that the provision of broadband would create the amount of weekly correspondence to MPs that I and many colleagues now receive.

I welcome the measures in the Bill to improve the coverage of mobile telephony. Vast tracts of my constituency are untouched by a mobile signal, and that position is becoming increasingly ridiculous. I remember being on a visit to one of the poorest states in India to witness the Department for International Development-supported installation of a basic sanitation system, and I happened to glance at my mobile phone. I noticed that it had a very strong signal—much stronger than the signal in large parts of my constituency.

I do not want to talk about the history of the Bill, or to delve into the role of BT and its relationship with Openreach, but I look forward to the Bill reaching the statute book in a form that will ensure universal broadband coverage that provides a level of service that is, as far as possible, future-proof. Of course I welcome the universal service obligation. I remember thinking, when the former Prime Minister first announced this, that a universal service obligation sounds good until we remember that many properties in this country do not have access to water through a publicly supported main and have to make private arrangements, and that many properties do not have contact with mains sewerage. We must be careful and ensure that universal will mean universal for broadband.

I keep saying to constituents that the more populous areas of the country being favoured in BT’s roll-out is understandable—more income will come in and so on—but that does not take account of changes in the structure of society and in business practice. Reference has already been made to some emerging new needs. It is ludicrous that new businesses in the countryside, often occupying redundant farm buildings and working at the highest end of technology, are somehow relegated to the back of the queue when their contribution to the economy is of enormous potential. The Government and their various agencies are also increasing the amounts of data required to be dispatched and submitted electronically. Those who have read the National Farmers Union submission will know how farmers are supposed to be able to download and upload vast amounts of information. Students are increasingly reliant on submitting coursework through electronic means. There is also a growing habit, not unhelpful in dealing with pressures on public transport, of busy executives working from home for part of their week and expecting the same level of connectivity as in their city or town office. For all those reasons, we must ensure that universal means universal.

Anyone who buys a television set these days is like to buy one that is 4K UHD-enabled and with many gadgets. There will be more unrest among people who want a decent television and to take advantage of better clarity and so on if they find that the TV does not do what it says on the tin because they do not have a basic broadband service upon which they can rely.

Calum Kerr: The right hon. Gentleman raises some interesting points. Unlike sewerage and water, broadband can be delivered wirelessly, so does he agree that there is really no excuse for the universal service not being universal?

Sir Alan Haselhurst: Of course I agree with that; I am trying to argue that universal should mean universal. Ten megabits, which is frankly insufficient, is an average figure, and we all know what has been done with average figures on car fuel consumption. The 10 megabits figure must be taken with a slight pinch of salt, and we should aim for a higher standard. If we do not recognise that, we are committing people who live in rural areas to forever playing catch-up.

My other worry relates to the unevenness of provision and not simply between town and country. People are bewildered, if not downright angry, that while they are expected to wait for a 10-megabit download speed—which is perhaps all right if they, like many, get less than 2 megabits at the moment—they hear about other parts of the country, some of them rural, receiving vastly better speeds of up to 100 megabits. They say, “Why is this happening? We hear that there is a roll-out, but when will it ever reach us?” One difficulty is that the superfast roll-out depends heavily on BT’s established network, which creates anomalies. One village in my constituency has three boxes, two of which have been

[Calum Kerr]
converted to enable a decent broadband service. The third mysteriously has not, yet it serves just as many people as the others. That creates anger in a village that is acknowledged as being rural because people ask, “Why aren’t we being treated the same?” Technical answers about historical reasons are provided when that question is asked.

There has been growth in the number of niche providers that are prepared to offer deals to people living in scattered communities. It is important that that is encouraged, but I also hear that embedded in the roll-out programme is a measure stating that if a commercial company has said that it will provide a service in a given area, no one else can touch it and the company is almost inviolate for a period of time. That cannot be right if we are talking about the urgency of getting broadband rolled out universally.

I want an end to the confusion and I want a greater degree of clarity to be introduced for people so that they understand what they can expect and how they can go about getting it. We need more local initiatives to identify alternative ways of getting superfast broadband. I have seen examples in my constituency of concerned citizens getting together and forming a working group to consider how to get broadband delivered. We should be helping them with that, not necessarily with subventions, but by letting them know how to go about it—perhaps through local authorities. We should not favour one company over another, but simply say, “These are the ways in which you may be able to get broadband faster than through the main roll-out.” That would help to diminish the growing frustration and uncertainty and would help us to enhance coverage. If the increasing number of pathways to broadband were better advertised and better explained, the Government would help more people than just through the broad roll-out programme. Everyone should feel part of our digital economy if we are putting legislation through under that name. To put it another way: we should all be in it together.

2.16 pm

Mr Iain Wright (Hartlepool) (Lab): As seems common these days with proposed business-related pieces of legislation, the Bill has several disconnected, disparate elements that come together purely for the purposes of providing and securing primary legislative time. Some elements could be positive, but several will prove problematic for the Government.

Part 1 of the Bill, which will bring in a universal service obligation for broadband, will certainly be welcomed by my constituents and not just those in rural areas such as the outlying villages of Dalton Piercy and Elwick, but in the urban part of the constituency. The right hon. Member for Basingstoke (Mrs Miller) made an important intervention earlier in which she said that many house builders are not future-proofing their stock. Some buildings and houses in my constituency are less than 10 years old and have no broadband connection whatsoever, which seems ridiculous if we are trying to be a leading digital economy. I hope that the Bill’s USO provisions will address that, and I fully agree with what the Culture, Media and Sport Committee said when it agreed with the “compelling case” for establishing a broadband USO.

Part 3, in particular clause 26, which aligns online and offline copyright infringements, is another important step—there should be no distinction. I also welcome the importance that the Bill gives to intellectual property not only in the creative industries, but as a real driver of economic prosperity. Having a comparative advantage through IP is important.

Part 5 will be difficult for the Government to justify. Sharing data and using it as a means of driving forward economic prosperity is important, but the Government have muddied the waters following the sharing of NHS data that came up a couple of years ago. That is a worry.

The Bill contains no consideration of future technology. Blockchain technology has been mentioned before and I know that the Government are aware of it. Indeed, the Government Office for Science recently produced “Distributed Ledger Technology: beyond block chain” a report which features a foreword by the current Minister, the right hon. Member for West Suffolk (Matt Hancock), and the former Minister, the right hon. Member for Wantage (Mr Vaizey). The Government are thinking about that technology and it would have been good to get some degree of what that thinking looks like and how it translates into legislation.

As I hint at, however, it is not necessarily about what is in the Bill, but about what is not in it. This question needs to be posed: do the digital policy and the Bill enhance Britain’s comparative advantage in the global digital economy? Does the Bill fill any gaps that are holding our potential prosperity and supremacy in the digital economy back? Do its provisions provide a clear strategic vision to ensure that the UK remains the destination of choice for investment and for the attraction of talent and ideas?

In many respects, we come to this from a position of strength. The Business, Innovation and Skills Committee carried out an inquiry on the digital economy, producing a report in July. We found that the UK is one of the leading digital nations in the world: our economy has the highest percentage of GDP invested in the digital economy of all the European nations; and UK digital firms are growing at two and a half times the national average, and have been since 2003. This is a source of pride and strength, and I hope that the whole House can come together on it, but I do not think the Bill helps address key challenges.

The Bill’s First Reading was on 6 July, a mere fortnight after the country voted to leave the EU and a week before the right hon. Member for Maidenhead (Mrs May) became Prime Minister. Although the proposals were very much oven ready—indeed, the Bill had the name of the former Secretary of State, the right hon. Member for Maldon (Mr Whittingdale), on it—the Bill seems to be at odds with the two preoccupations facing the Government: exiting the EU, and producing a new industrial strategy.

Yesterday, the Minister attended, as did I, and indeed as did the hon. Member for Mid Worcestershire (Nigel Huddleston), who is in his place, a round table meeting at the Google campus on the challenges facing the tech industry in light of Brexit. The Minister heard a tech entrepreneur saying that he is hoping to raise half a million pounds this year, with the aim of raising a further round of £3 million to £5 million next year. He said that potential investors are questioning whether the UK domestic market is large enough to justify funding here in the UK without sufficient access to the European single market. He said that he is facing pressure
[Mr Iain Wright]

from investors to base his business in the US. The uncertainty arising from tech firms employing digitally skilled EU migrants and the issue of having full access to the European single digital market are causing uncertainty and disruption. There is a risk that other centres, such as Berlin, will take advantage of that uncertainty, to the detriment of emerging and growing innovative businesses and business models in this country.

We could have led the EU on the EU digital single market—it could be made in our image—but, unfortunately I do not think that opportunity will be afforded to us. There are real concerns about access to that single market—I hope the Minister will provide as much clarity as possible on that—and about access to talent.

There is also a mismatch, or certainly a disconnect, between any sort of industrial strategy and digital strategy. As we heard at the Google campus yesterday, businesses and entrepreneurs want to see how the Prime Minister’s welcome rhetoric on industrial strategy translates into proper co-ordination, and how this will be aligned constructively with the digital strategy, which, I think, the Minister will readily concede is being hastily drafted in light of events from 23 June onwards. A proper industrial strategy will need to have the implications of digitisation, technology and innovation running through all its activities and objectives. I appreciate that there is not necessarily a statutory need for such a pledge, although it is very clear that firms want to see clarity and a strategic vision—that is what they call for in the digital space.

As has been mentioned by my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), the Bill also fails to address one of the biggest challenges facing a digital economy, and the changing structure of the workforce and the nature of work. Technology provides a massive opportunity for a more effective and efficient allocation of demand and supply of both labour and products, services and customers. Such disruption can be a positive thing, increasing quality, choice and service for the consumer. Innovation should move people through their career. Training and to have poorer prospects of advancing in the sharing economy, but I hope he will also look at how technology and the changing world of work needs to be addressed. There are positive steps and positive provisions in this Bill, but it is rooted in the 20th century, whereas we should be thinking more about what is required for the 22nd century.

2.26 pm

Mrs Maria Miller (Basingstoke) (Con): There is much to welcome in the Bill. The hon. Member for Hartlepool (Mr Wright) mentioned the EU, and we should not forget that it was only in 2012 that this Government roll-out of superfast broadband was stuck in state aid bureaucracy; one of my first meetings when I was Secretary of State was with the Brussels officials who were deciding to stand in our way. It required quite a large handbag to get that moving, but the tenacity of the Department and, in particular, of Broadband Delivery UK since then means that now more than 90% of our premises have access to superfast broadband. The Bill will give everyone the right to fast broadband in the future, and it deserves all our support. I am glad to hear Labour’s Front-Benchers say that they will be supporting it.

As the Secretary of State said in her opening remarks, at the heart of the Bill is the importance of shaping our digital world for the future and of a digitally engaged citizen. We cannot allow this to be a missed opportunity; if we are to have a healthy digital economy in the future, we need to tackle the real concerns of digital consumers and the real concerns about online abuse. If we do not do that, some people will choose to absent themselves from the online world, and I do not believe that that is right.

I will focus my comments on that aspect of the Bill, having heard many colleagues talk about a range of other issues. The Bill needs to include a clear definition of what constitutes online abuse. The criminal law is trying to tackle online abuse with a complex set of laws that predate the digital age. The number of convictions under part 1 of the Malicious Communications Act 1988 has increased tenfold over the past decade, but before prosecutions can be successfully brought, we require proof of an intention to cause distress and of gross offensiveness. The current level of prosecutions therefore probably very much underestimates the real problem that is there.

It is right that we protect freedom of expression, and that argument is made strongly when we legislate in this space, but there has never been an unfettered right to freedom of expression; with that comes responsibility, and we need to recognise that in law. The Crown Prosecution Service has used guidelines to help clarify the situation, which probably indicates to us that there are some causes for concern, because there is no substitute for making sure that the statutory provisions are clear. As the Law Commission said, there is a clear public interest in tackling online abuse, and that has to be done through clear, predictable legal provisions. This Bill provides an opportunity for such clarification, to tackle online abuse more effectively, and I hope the Minister who responds to the debate will include in his remarks what the Government’s response will be.
There is an opportunity for better support to be provided to victims of online abuse, and I applaud the work of hon. Members who are here today, and of Victim Support and others, who have been tackling this issue. It is right that the Government have taken a thought-leading position on making illegal the posting of revenge pornography online, but we need to go further. We have seen more than 200 prosecutions for revenge pornography, but hundreds of victims are still fearful or unwilling to come forward. More than 1,700 cases of revenge pornography have been reported to the police in the past year, but its victims are three times more likely than other victims to withdraw or to withhold support for police action. The Bill needs to recognise that victims of online abuse and the appalling offence of revenge pornography should be afforded the same right of anonymity as victims of other sexual offences.

I am really pleased to see a commitment to tackle access to underage pornography in the Bill. Obviously, it was in the Conservative party manifesto, but it is a welcome provision none the less. I applaud the Government on the stand that they are taking here. There is not enough time to go into the details of that provision now, but I hope that the Minister will carefully consider, both now and in Committee, the NSPCC’s call for more robust sanctions. We need to look at expanding the role proposed for the age verification regulator beyond commercial sites to include peer-to-peer and other communication products where pornography is routinely shown and distributed.

I realise that there are problems with regard to those who are legally accessing such products, but we must take account of the fact that, by the time children reach the age of 12, more than one in four will have already accessed online pornography. I am talking not about the sort of stuff that is on the shelves of our local newsagents, but about what others would call hardcore pornography. We tackled that issue in the Women and Equalities Committee report on sexual harassment in schools, which was published today. In it, experts widely cited the increased access to online pornography by children as helping to fuel the increase in sexual harassment and abuse among children in schools, and this needs to be taken seriously.

There is one other area on which I hope to encourage the Minister to reflect, and that is the impact on the police. The chief of the College of Policing, Alex Marshall, has said that social media complaints now make up half of all calls to the police. That is an extraordinary fact, yet the Bill makes no mention of how we can lay off some of the charges that are being incurred by the police when they deal with those who produce products that elicit this sort of illegal activity and concern from our constituents and who make a healthy profit out of their online activities. We need to consider a swift plan of action and to put in place a levy to fund additional police costs if online abuse is not tackled speedily.

The online industry is healthy, but it needs to tackle the abuses if we are to move forward in a healthy fashion. We must be clear that we will not tolerate the sort of abuse that has become routine in the past. We need to ensure that there is a co-ordinated approach to the reporting of online abuse, that we design out such abuse from products from the get go and that there is quick action to remove and sanction those who commit online abuse. Indeed, if a code of practice for the industry is not put in place voluntarily, perhaps one should be put in place with a bit of force.

My right hon. Friend the Secretary of State knows more than many other Ministers about the impact on victims of online abuse, particularly domestic violence victims. We cannot let the Bill be a missed opportunity to encourage more digitally engaged citizens, but we must ensure that we keep those digitally engaged citizens safe and that we tackle the concerns and fears that are now starting to make up a significant part of our postbags.

2.34 pm

Chris Bryant (Rhondda) (Lab): It is a great delight to follow the former Secretary of State, the right hon. Member for Basingstoke (Mrs Miller). She has shown from what she has said this afternoon and from when she was in office the level of expertise, interest and commitment that she has in this area of work. It is always a delight to hear from the right hon. Member for Maldon (Mr Whittingdale), who, unusually, was a round peg in a round hole when he was appointed to the job, and he got a little bit rounder as the year went on. Seriously, though, it is a delight to hear from him.

We all know as Members of Parliament that we live in a digital economy, because we have so many emails from constituents and others. This email is not from a constituent, but I thought that I would share it with the House. It says:

“Dear Rhondda Yfronts,

Just watched you and that other dull dishcloth of an MP on Daily Politics. You both sum up clearly why Labour will never win an election anytime soon. Uninspiring, pathetic career politicians with no substance or gravitas.

Finally, are you still on Gaydar, Grindr, or Scruff? If so, what’s your profile as I quite fancy you.”

Self-praise is no praise.

As the two former Secretaries of State have already acknowledged, the creative industries are absolutely essential to this country. They were worth £87.4 billion to the UK economy in 2015. Creativity lies at the heart of it all, which is why I welcome all the measures that relate to strengthening the intellectual property law. Some 355 million music tracks and 24 million films were illegally downloaded between March and May of this year. We do need to tackle that if we are to protect those who create that value—those who are at the imaginative heart of this country. My only question about clause 26 is whether the definition is strong enough, but that is a matter for us to deal with in Committee.

We also need a strong and independent BBC. This is one of my biggest disappointments with the Bill and everything that has happened since 2015. The BBC is funded by the licence fee in the main. Last year, that amounted to £3.6 billion. That sounds like a lot of money, but it is worth bearing in mind that Sky in that same year had a revenue of nearly £12 billion, three times as much, and £2 billion of profit. I do have one anxiety. I do not expect the former Secretary of State to respond to this, but I think that in his heart he agrees that it was entirely wrong and wholly inappropriate to put the payment of the over-75s’ licence fees on to the BBC. Even more importantly, a part of the Bill breaches
the BBC’s fundamental independence, because it turns the BBC into an arm of the Department for Work and Pensions, and that is wholly to be deprecated. In time, I think that the Government will regret that. There is an element of cowardice in that, because if the Government want to get rid of the free television licences, they should do it themselves; it should be a manifesto commitment in a general election, and then they should proceed. To make the BBC carry out the decision-making process on who gets a concessionary licence is wholly wrong. Incidentally, the whole deal happened after a meeting between the former Chancellor and Rupert Murdoch. It just shows that nothing ever changes in this country.

May I just ask the Minister—I hope that he will be able to respond later—when will we get the draft charter? Lord Ashton of Hyde said in the House of Lords that its publication would be in September. I hope that the Lord Ashton of Hyde said in the House of Lords that its publication would be in September. I hope that the House of Lords will doubtless tell us. [Interruption.]

The meeting between the former Chancellor and Rupert Murdoch was thinking of calling you next. If you want to go down the list, carry on and I will ensure that it happens.

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr Vaizey, I was thinking of calling you next. If you want to go down the list, carry on and I will ensure that it happens.

Chris Bryant: It is always good—is it not, Mr Deputy Speaker?—to see the right hon. Gentleman doing abject.

The digital economy is important beyond just the creative industries. We have the highest rate of contribution to our GDP of any country in Europe. Some 11% of jobs in the UK are now related to the digital economy, and that part of the economy has grown two and a half times faster than any other part. The digital economy also plays to our national strength in terms of the English language, music, drama, sport and gaming. Nevertheless, I worry that the present Government—maybe we did it when we were in government as well—are always wanting to pat themselves on the back, when actually it will be difficult, despite constant striving, to ensure that everyone can participate. There are still lots of people who have just 2 megabits per second. There are people who, when they have 10 megabits per second, will have contention rates that make it very difficult indeed for them even to use iPlayer effectively. I hope that the ministerial team will not want to keep congratulating themselves.

As I said, in many rural areas, including in my constituency, 70% of people have no access to 4G. The former Prime Minister has now left the House, but his obsession with Polzeath was never matched by success, because Polzeath still has terrible mobile coverage. As far as I can see, unless someone wants to correct me, the mobile infrastructure project was a complete waste of money—£150 million spent on 75 masts. That is £2 million per mast, by my rough arithmetic, and that is if all of them were built. It would be nice to know what has happened there.

I support the measures on pornography, to protect young people from images that would be inappropriate for them, but I, like the right hon. Member for Maldon, think that it is too unclear how that will be achieved. If you just ask, “Are you over 18?” it is a bit like going to the United States of America and being asked, “Are you now, or have you ever been, a member of the Nazi party of Germany between 1933 and 1945?” I suspect that not many people say yes.

The right hon. Member for Basingstoke is absolutely right about online abuse. I commend her for the work that she and others have done through her Committee and elsewhere. It is very important because many people, especially women, are finding that the internet is not a safe and happy place to be. It is far from happy. She is right that there is no clear definition of online abuse. The Crown Prosecution Service guidelines are inadequate and are preventing police from investigating in many instances where they should be taking action.

A Demos study earlier this year showed that in just three weeks, 6,500 women were called “slut” or “whore” in the UK on Twitter alone. Half of teachers now report that they receive online abuse either from parents—which is scandalous enough—or from their own pupils, and very little action is taken.

Many Jewish colleagues in the House have had absolutely hideous abuse—the kind of abuse that one would have thought ended in 1945, yet it now seems to be around as part of a supposedly acceptable political discourse.

There are real jurisdictional problems. I reported an instance relating to someone who was making death threats to me into my office and, more importantly, wanted to put antifreeze in halal meat in Sainsbury’s. When an attempt was made to prosecute, because the person was based in Germany, the German police refused to act, on the basis that it was just a British politician being attacked by a British national who happened to be in Berlin. I hope that the Government will examine some of these jurisdictional issues. Facebook, Apple and many others are far too slow in co-operating with the police, and I believe that what counts as evidence of ownership of a site is far too indistinct.

The internet can be an echo chamber, turning mild annoyance into a claustrophobic fury, and under the cloak of anonymity, people think they can get away with anything. We need to put a stop to that.
Government-sponsored broadband programme in the world, and the Minister should take credit for that achievement.

I received an unsolicited email—it is a rare thing—from the director of the broadband programme in Oxfordshire. He pointed out that Oxfordshire is at 93% with 15 months of the programme still to go. Five million pounds has already come back to the county council from the Government funding and there is £2.8 million further to come—around £8 million of the public sector investment of £40 million, and he thinks that perhaps we will get it all back because of gainshare and take-up. He says:

“I cannot think of any large scale public sector contract which has delivered on time and under cost. Very good contract to work with in protecting the public purse and incentivising successful outcomes.”

I do not have a mains sewer in my house. I recall the comments of my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst). We must remember that the broadband programme is an infrastructure programme. You do not just flick a switch and deliver broadband. You have to dig up roads; you have to do engineering work. Openreach, especially the programme director, Bill Murphy, deserves a huge amount of praise for what has been achieved.

I confess that I am utterly confused by those people who want to break up BT and Openreach. Why would one simply adopt the campaign of BT’s competitors? Why would one wish to break up a highly successful British company, post-Brexit when we need all the champions we can get? Why would one break up a company that has delivered such a successful programme? In the words of the chief executive of Virgin Media, an able competitor of BT, “If you want better broadband, pick up a spade.” That is my message to TalkTalk, Vodafone and Sky, who all seek for their own reasons to break up a great British company.

I have two things to say to the Minister. I firmly believe that Openreach can deliver the USO, but it will need his help in easing regulation, particularly for long line VDSL. I also hope that Broadband Delivery UK will continue its excellent work and become a taskforce. I also hope that Broadband Delivery UK in the words of the chief executive of Virgin Media, an able competitor of BT, “If you want better broadband, pick up a spade.” That is my message to TalkTalk, Vodafone and Sky, who all seek for their own reasons to break up a great British company.

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A lot of the 5% that still has to be reached is in inner-city areas, and that is usually because of bureaucratic obstacles stopping the roll-out of broadband which have nothing to do with technical challenges. A good and effective BDUK, helping roll-out in cities, would be hugely helpful.

I echo the calls about the frustration with new build. I remember dealing with Linden Homes in my constituency. For the princely sum of £6,000 it could have delivered broadband to all its customers in a multimillion pound development. It point-blank refused to do so. The attitude of too many developers is shocking. The Government refused to change the planning laws when I was a Minister. Perhaps we should look at that again.

The reforms to the electronic communications code are long overdue; we took far too long to bring them forward. They apply just as much to mobile. I recall mobile operators telling me that when they wished to upgrade a 3G mast to a 4G mast at a site in an airport, the rent went up from £50,000 to £250,000. We must reduce the cost of rolling out broadband infrastructure, whether mobile or fixed, and we cannot have our cake and eat it. I heard the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) talking about the loss to the public sector of the £300,000 that Newcastle City Council might lose, but the gain for Newcastle City Council in easing planning restrictions would be better coverage in Newcastle for her constituents and, importantly, for her local businesses, who create jobs and wealth in Newcastle. We cannot allow the landowners to ride roughshod over this Bill, perhaps in the other place. We must reduce the cost of infrastructure roll-out. We need to continue to look at planning reform, particularly, as my right hon. Friend the Member for Maldon said, with the roll-out of 5G.

**Chi Onwurah:** I thank the right hon. Gentleman, an excellent former Minister, for giving way and it is good to hear a Conservative Member of Parliament taking on the landed vested interests, as it were, but will he say how this Bill will ensure that the benefits of reduced rentals accrue to the users of mobile phones, not simply the mobile operators?

**Mr Vaizey:** Benefits will accrue to mobile phone users through improved coverage. The hon. Member for Rhondda (Chris Bryant) mocked the mobile infrastructure roll-out plan. He got his facts wrong, but that brought home the huge cost and complexity of building those networks. Anything we can do to reduce the cost of roll-out will help the consumer in terms of coverage and, hopefully, cost.

I fully support the measures on age verification and the upgrading of the offence of copyright infringement. It is interesting that hon. Members on both sides of the House have called for a general debate on internet regulation, which is what that is. It will come more and more to the fore. I echo the comments of my right hon. Friend the Member for Basingstoke (Mrs Miller) and others. It is almost impossible to deal with social media companies. They are like giant children. Suddenly they have 300 million users or 1.2 billion users, and they have to make up some of the regulation as they go along. There was the recent controversy when Facebook banned the iconic photograph of the child in Vietnam. The Government need to work, and work quickly, with those organisations, but even bringing them to the table causes some difficulty.

I fully support the measures on data sharing. That is a huge prize, but we must recognise the concern of consumers about having their private data used. This is about using anonymous data and breaking down the barriers between Departments, which can only benefit citizens.

Let me briefly echo one or two concerns. I had a huge amount of sympathy with what the hon. Member for Rhondda said about free TV licences being imposed on the BBC. It had nothing to do with Rupert Murdoch, by the way, and everything to do with saving money on the welfare bill. It is wrong that we are leaving the decision on free television licences to the BBC. It should be a decision for the Government. There are plenty of ways of updating and refining the way in which the free TV licence currently works, without getting rid of it. The Government should take back not the cost of the free TV licence, but responsibility for the policy.

As Ofcom takes on BBC regulation, I have some concerns that if it takes on the regulation of BBC websites, we will see press regulation by the back door. The press has been assiduous in not allowing its websites
to become quasi-broadcasting sites, which would therefore be regulated by Ofcom. With Ofcom regulating the BBC, we must be cautious that we do not inadvertently bring in statutory regulation of the press, which I would oppose.

2.52 pm

Sarah Champion (Rotherham) (Lab): I shall speak on part 3 of the Bill, but I should like to put on record my support for the recommendations made by the right hon. Member for Basingstoke (Mrs Miller). We need to use the Bill as an opportunity to examine all online abuse, because although the Government say that the police have powers under existing legislation, they are not using them. To have that on the face of the Bill would be a powerful statement. Online abuse is eroding the lives of many people.

A key role of this House must be to prevent harm and tackle the threats faced by children, both online and offline. The scale of online abuse and exploitation, and the proliferation of pornography and violent sexualised imagery among children, has reached endemic levels. This Bill presents us with an opportunity to offer protection to all children, and I urge this House to do so. Children are at risk every day from predatory abusers who seek to exploit and manipulate their vulnerability. According to the Internet Watch Foundation, in 2015 over 68,000 URLs were confirmed as containing child sexual abuse imagery. That figure is up 118% since 2014. We have to recognise, however, that child abuse and exploitation perpetrated by adults is only one aspect of the many threats faced by children online.

Children make up a third of internet users, and they have never had better access to the internet, with 65% of 12 to 15-year-olds owning smartphones. Their access is often unfettered and unrestricted. A study from the National Society for the Prevention of Cruelty to Children and the Children’s Commissioner for England found that, of the 1,000 children aged 11 to 18 questioned, over half had accessed pornography, with 94% doing that by the age of 14. Those children were not necessarily seeking out pornography online. Their access was often inadvertent, through a pop-up or while searching for other content.

The growing body of evidence proves to us what we already know. Pornography impacts on the development of children, particularly their understanding of what constitutes healthy relationships, consent and sex. The NSPCC and Children’s Commissioner study found that more than half of the boys questioned believed that the porn that they had seen was realistic. In a Girlguiding attitudinal survey, 71% of girls aged 17 to 21 agreed that online pornography makes aggressive and violent behaviour towards women seem normal.

The consequences of this online material is reflected back as a reality offline. Violence against girls starts at an early age. The Home Office’s 2010 “This is Abuse” campaign found that sexual violence happened to one in three girls and one in six boys.

Through exposure to online pornography from an increasingly young age, and messages conveyed in the media, children are growing up believing that violence and non-consensual sex is not just normal, but to be expected.

The proposals laid out in part 3 to limit children’s access to commercial pornographic websites are welcome, but they do not go far enough. The Government are to be commended for recognising that the internet needs regulation to protect children. Just as children are protected offline—through restrictions on access to sex shops, for example—the provisions in this Bill are an important first step in creating a world in which children are also protected online. They are, however, only a first step. Parity of protection for children between the online and offline world can be better achieved if the Government strengthen these provisions in Committee.

Steve McCabe (Birmingham, Selly Oak) (Lab): Does my hon. Friend agree that the key element that is missing is that companies should be responsible for the content that they host, and that that is the route to protecting children and others from online abuse?

Sarah Champion: Indeed. My hon. Friend makes a valid point. I do not believe that the Bill goes far enough, but it has the potential to do so.

As currently set out in the Bill, the age regulator covers only commercial pornographic sites. This is not typical of the way in which children access or share sexualised, pornographic and other age-inappropriate content. Will the Minister commit to extending the role of the regulator so that it also covers user-generated sites and peer-to-peer services, such as live streaming and video chat sites, and avoids any unnecessary loopholes that could lead to the legislation being deemed invalid?

The powers of the regulator as set out in the Bill are extremely limited. They provide legal cover only for payment service providers that break their contract with non-compliant commercial pornographic sites. Will the Minister expand the role of the age regulator, to ensure that it has the power to issue fines and enforcement notices, and to enforce the withdrawal of payment services? Online abuse is a problem the world over, and the internet does not respect international borders. Will he therefore give the regulator powers to block sites outside the UK’s legal jurisdiction which do not comply with UK regulations?

Part of the solution must be to support parents to feel confident in understanding the dangers posed by the internet. According to Barnardo’s, half of young people living at home report that their parents know only some of what they are doing online. Will the Minister consider including provisions to provide up-to-date information for parents about parental controls and other ways of restricting children’s access to potentially harmful content, and supporting parents to recognise the dangers faced by their children online?

Finally, preventing access to pornography and indecent material is vital, but it is also necessary to give children the resilience to challenge and contextualise what they see online. It is my view and that of all the major children’s charities that the best way to do this is by providing all children with age-appropriate resilience and relationship lessons as soon as a child reaches school age. This would allow children to see pornography for what it is—a fantasy that predominately subjugates and abuses women.

Girls and boys must not grow up believing that violence and non-consensual sex are normal or to be expected. Sadly, though, that is exactly what the young
people I speak to believe. That is echoed in the Women and Equalities Committee’s report on sexual harassment in schools, which was released today. My final request is for the Minister to add provisions to strengthen the content of the e-curriculum taught in schools at all key stages. This should include recognising abuse and exploitation online, mitigating risks and using the internet safely and responsibly. Giving children the knowledge and tools to contextualise pornographic content and to challenge abusive behaviour is the best way to empower and protect them.

2.59 pm

Damian Collins (Folkestone and Hythe) (Con): As has been acknowledged by Members on both sides of the House, the creative economy in the UK is fast-paced, dynamic and world-leading: it is growing faster than other sectors of the economy. Britain leads the world in many areas of online retail. Tech businesses and tech hubs have been a part of the regeneration of many of our cities, and London has established itself as one of the most pre-eminent cities for technology and the digital economy in the world. We are rightly world-leading, and we should be proud of that. However, it has been said as well that this is an incredibly fast-paced part of the global economy, and we cannot afford to stand still and not respond to the challenges of the growing digital economy and the need for better infrastructure to support businesses and homes up and down the UK.

I welcome, as many speakers have, the measure in the Bill to bring the infringement of copyright offline and online into sync and to greatly stiffen and strengthen the penalty for it. Having a 10-year sentence for online infringement of copyright—similar to that for offline infringement—is absolutely the right thing to do, and I congratulate the Government on bringing that measure forward.

Protecting the IP of creators is an important part of the success of the creative economy, and so is creating the infrastructure necessary for businesses to compete in the digital age and for homes to receive the connectivity they need to access the services they rely on and the content they enjoy. Openreach has been a key part of the delivery of broadband services in this country; it is right that it has been part of our debate today, and it was a key part of the recent inquiry by the Culture, Media and Sport Committee. There are undoubtedly challenges for Openreach in its customer service. I think all Members who have engaged with BT on behalf of their constituents would say there is room for improvement in customer service, and when BT has come before the Select Committee it has recognised that. It is not alone in being a provider that needs to improve on customer service.

However, the challenge and the question we face is, how do we complete the final 5% of the delivery of superfast broadband in this country as quickly and as effectively as possible and continue to improve services for other customers too? Is that job made easier or harder by the separation of BT from Openreach? Of course, as the Secretary of State rightly said in her opening speech in the debate, nothing should be off the table. There are still challenges for BT and Openreach to meet, and Ofcom is overseeing that as well. They have to work harder to improve customer service and the service that they offer to other corporate customers—other providers they work with. However, we are better able to extend the coverage of our network to meet the USO with Openreach operating inside the BT group. However, if it cannot meet the targets they have been set, nothing should be left off the table, as the Secretary of State rightly said.

The USO itself is widely welcomed by Members on both sides of the House. There are key questions, obviously, to be resolved. First, who will deliver the USO? My right hon. Friend the Member for Wantage (Mr Vaizey) rightly said that it could be Openreach, and BT has said itself that it could deliver it, but that question still has to be resolved. Who will be the deliverer, and how will it be paid? The Government’s preference is naturally for an industry-led solution, and the Select Committee supported that view in its recent report. However, the delivery of the USO has to be affordable; there is no point having a notional legal right to have access to superbroadband services if no one will pay, or can afford to pay, for their delivery. That remains one of the questions that has to be answered. I know that Ofcom is consulting on the delivery of the USO, and that will be one of the important questions it has to consider.

In the Select Committee investigation, we also looked at over-building, which is an important part of the delivery of the final 5% of broadband services. There are many smaller providers that may be prepared to go into a community that is currently poorly served by internet provision, but they are reluctant to do so because they do not know whether Openreach is about to go into the area itself, and Openreach—because of market sensitivity—has been reluctant to share information and maps showing where it intends to go next. We are now dealing with some of the most marginal areas in the country—areas that have so far been excluded from the roll-out of superfast broadband and that were not prioritised in the Broadband Delivery UK roll-out because they are so marginal. I do not believe that the commercial sensitivity and the cost to a provider can be so great that that provider cannot give communities certainty about whether they are about to benefit from the further roll-out of superbroadband and, if they are not, whether another provider may step in and provide that service instead. At the moment, the threat of over-building has held people back.

In the delivery of the USO—certainly if it is supported at any level with public money, just as the roll-out led by BDUK was—it is also right that we consider whether we are subsidising areas that are already commercially viable and that are part of the Openreach plan, but that should perhaps have been taken out because someone else would have come in to provide services. That money could have been used to support another site. I accept what the former Minister, my right hon. Friend the Member for Wantage, says—that a substantial amount of clawback money has come from the Openreach contracts, and that will be reinvested. However, there have been cases—we certainly saw cases in the Select Committee, where the Openreach roll-out through BDUK went into areas that could have been supported by commercial operators, and we do not want to repeat that.

With regard to Ofcom’s role in overseeing the BBC, it was right that the BBC Trust was replaced with a new body. It is right that Ofcom should be the body that oversees complaints to the BBC. There is one very
important area where I would certainly welcome greater clarity, and it is going to be one of the thorniest areas that Ofcom has to deal with. Ofcom is responsible for evaluating distinctiveness in BBC content—it will be required to give rulings on that. That is very different from black and white breaches of a code; it involves a very subjective view. How that subjective view can be consistently enforced and delivered by Ofcom remains to be seen, but it is a very important area.

The former Secretary of State, my right hon. Friend the Member for Maldon (Mr Whittingdale), touched in his speech on the question of appeals against Ofcom rulings. Part of the Bill changes the nature of appeals against Ofcom rulings so that it is not a question of the merits of the argument, but really a matter of law, as it would be in a judicial review, as to whether Ofcom is right or wrong. In the past, there have been cases where Ofcom has got it wrong, and the Competition and Markets Authority has come in and told Ofcom that it has got it wrong. We do not want to see a situation where the wrong ruling is given and no challenge can be made to it because there was no fair judicial process. Ofcom should give greater consideration to the views of other authorities that regulate competition and markets before coming to a decision. I understand the point that we do not want vexatious and spurious appeals constantly made to Ofcom simply to delay the inevitable enforcement of the right decision, but at the same time we want to make sure that Ofcom is getting the decisions right and taking on board all relevant pieces of information.

Finally, I would like to add my comments to the argument made by other Members—the hon. Members for Berwickshire, Roxburgh and Selkirk (Calum Kerr) and for Rotherham (Sarah Champion)—about online pornography. I certainly support the measures in the Bill to have age verification on pornographic websites, but there have to be some teeth to the enforcement of that. If an offshore operator simply refuses to comply, what would be the sanctions? Yes, it is great that information is shared with PayPal or a credit card operator, but are they required in any way to stop payments to the site? The ultimate sanction, of course, would be site blocking. I appreciate that that can be a bit of a wild west when we are dealing with offshore operators that can consistently change the services they offer, but there have to be some teeth; otherwise, offshore operators will simply pay no attention, and we will not have made the progress that we want. However, this is an important issue; I am glad to see it on the face of the Bill, and I would certainly welcome more guidance from Ministers as we go through this debate.

3.8 pm

Thangam Debbonaire (Bristol West) (Lab): I rise to speak about part 4 of the Bill and in support of musicians, singers, composers and others in the music industry who create and perform music for our pleasure. In the context of the Bill, that means asking the Government to use this opportunity to strengthen existing measures to ensure that artists are properly remunerated for their work online, which they frequently are not.

First, however, I must add that the measures in part 3, in relation to pornography, are a welcome step, but they are nowhere near enough, as other hon. Members have said. I will not discuss these measures at length, and I just want to add my support to the things that the right hon. Member for Basingstoke (Mrs Miller), my hon. Friend the Member for Rotherham (Sarah Champion) and others said about the deficiencies of the Bill and about aspects of online abuse. Before I was a Member of Parliament, I worked with men who had abused their partners, and I can provide lists of examples of their use of the internet to track, harass, shame, bully, threaten and abuse their ex-partners. I can also say that many of them, unfortunately, learned their ideas about sexual behaviour from pornography—frequently, violent pornography. The Government have an opportunity that they can grasp. It is not easy—I am not saying that there are simple solutions—but I really add my voice to those of other hon. Members, and I know that the Secretary of State, with her track record on tackling violence against women and girls, will be open to listening to our suggestions.

I must declare my musical interests. I was once a professional musician and a member of the Musicians’ Union, which therefore did make a donation—declared properly in the Register of Members’ Financial Interests—to my campaign last year. I am married to a professional musician. Many of my friends and family are also musicians. Having declared my interests, I have to say that I am speaking today about the rights of workers, who include many in my own constituency, to be properly paid for their music, and to support the huge contribution the music industry makes to our economy. I ask the Government to improve on what is currently in the Bill and to do everything they can to stop illegal downloading and piracy.

We all have music in our lives. Special memories always have a specific song playing in the background. Special occasions include a well-chosen piece of music. As I walked to the bus this morning, I had a tune in my head. Whether we love opera or indie bands or can remember all the tunes from “Singin’ in the Rain”—I can—music is a huge part of our lives. The previous Labour Government invested hugely in the arts in a range of ways, and the arts have given a great return on investment. For that to continue, musicians and the creative industry, and every part of the supply chain, have to be properly, fairly and legally remunerated for what they create, whether it is online, in live performances, or in sales of physical recordings such as CDs. This Bill provides a great opportunity for the Government to help to make sure that this happens online. Yet, unfortunately, the content of part 4 leaves so much that could still be done. I hope that we will discuss that in Committee.

I am pleased that clause 26 amends the current legislation on copyright to bring online criminal penalties for copyright infringement in line with off-line penalties, with a maximum of 10 years’ imprisonment. This will target anyone who infringes copyright in order to make a commercial gain. However, I wish to stress to hon. Members and to members of the public that this is not to catch out people who download music and unwittingly download or stream something illegal. I want to make that clear in adding my support to this measure. As far as I understand it, it targets the criminals who make money from distributing music to which they do not have the rights.
...move by the Government would be to extend the public lending right to off-site e-book lending, as that would correct an error that was never intended?

Thangam Debonaire: My hon. Friend makes an excellent point and I completely agree. As I said, the arguments I am making about music can equally be applied to books, to films, and to other art forms.

When music lovers see ads in front of streams of music, they expect that what they are hearing will be legal and that the ads are helping to pay for this. When they use a well-known search engine, which I will not name, to find a piece of music they like, they expect that the links will take them to legal sites where the music industry is properly paid for their work. However, that is not always the case. This is where we have to intervene, as lawmakers, to provide a proper framework for the online wild west.

In some parts of the online world, co-operation is working. For instance, internet service providers are co-operating on the “Get It Right From A Genuine Site” campaign, which helps to educate consumers about the importance of legal sources. However, there is still no clear agreement with the search engines. This is despite a Government-chaired round table process that has been discussing the problem for several years. The search engines need to do their part, now, because the UK Music report published yesterday showed that music contributed £4.1 billion to the British economy last year. We need it to do more, and it can through an online presence.

A thriving digital economy requires each part of the value chain in music production and consumption to get its fair share. Huge global companies that are not paying their fair share for the use of the UK’s music on their platforms should be made to do so. This needs to be resolved to ensure a fair digital economy in the UK, with fair rewards for musicians. I could make plenty of detailed suggestions, and I look forward to the opportunity to do so in Committee. I hope that the Secretary of State will consider what I have said about the need for proper remuneration for musicians and those involved in other art forms online.

3.17 pm

Scott Mann (North Cornwall) (Con): It is a pleasure to follow the hon. Member for Bristol West (Thangam Debonaire).

This Bill deals with an important issue for very many of my constituents, thousands of whom will be affected by it. It will be welcome news to all those who have written to us about rural broadband. As a large and rural area, North Cornwall faces the typical challenges that other rural parts of Britain face when trying to modernise and to embrace new technologies and infrastructures. North Cornwall fortunately benefits from a county-wide roll out of superfast broadband, which has reached about 95% of households. That has definitely helped many people across Cornwall to be better connected with friends and family, and services and businesses. It is no secret that Cornwall has lagged behind in terms of economic growth and development. The provision of superfast broadband will undoubtedly address that important issue and improve the situation, particularly in supporting growth for small and medium-sized businesses and local enterprises.
Scott Mann: Many people, however, are not so lucky. Scores of people across North Cornwall’s countryside, moorland and remote coastal areas not only lack access to superfast broadband, but lack access to a basic and reliable broadband service. For example, numerous farmers have written to my constituency office to complain about having to submit their basic payments and not being able to access broadband in order to do so. Numerous small rural businesses that need to submit VAT returns and advertise their services through attractive internet websites have also reported poor internet speeds. Families in small villages who want to shop or speak to loved ones all over the world all too often cannot get access to these services.

Andrew Bingham (High Peak) (Con): My hon. Friend makes a very good point. My constituency is not like his in many ways, but rural it certainly is. As we, as a Government, are trying to get more people to do more things online, it is completely counterproductive not to give those in rural areas the broadband they need for that.

Scott Mann: I completely agree. We need to get the same access that all urban areas have, because otherwise we cannot compete on a level playing field.

Every week, my constituency office is contacted by people who have consistency issues with their broadband reliability and are not receiving the speeds they paid for, or look on in frustration as they are told by the superfast broadband companies that they cannot have broadband and yet their neighbours on the other side of the road can. In fact, my office has created a broadband not-spot map to highlight which constituents have poor broadband speeds, because we have not been able to access that information through our superfast broadband provider. That is shocking and the map is becoming substantial.

This digital age fundamentally changes how we operate in our daily lives. Like water, gas and electricity, broadband is now a necessity and has become part of the progressive society. That is why I am delighted with the Government’s introduction of the universal service obligation, which gives my constituents the protection they need for a decent broadband service, and of the electronic communications code, which emphasises the provision of broadband and mobile internet.

I understand that the USO aims to provide 10 megabits per second, which is enough to do tasks such as sending emails and browsing websites. That will help many farmers, businesses and households in my constituency to access a level of broadband that they should expect to receive, and it will also allow them to provide their services and to hold the service providers’ feet to the fire. However, paying for a 10-megabit connection and receiving only 0.1 megabit is completely unacceptable, so it is right that we place a statutory obligation on service providers. Farmers are increasingly reliant on broadband. A recent survey by the National Farmers Union found that 58% have speeds of less than 2 megabits per second.

Given the access to streaming video capability that we now demand from our internet, whether we access vital services to engage in e-learning, to catch up on our favourite programmes on Netflix or other providers, or to play fast-moving computer games, the USO is more important than ever. Therefore, I urge the Government and Ofcom to be bold and ambitious with the universal service as it starts to take shape.

If we could get a guaranteed household speed for farms and businesses in North Cornwall of at least 15 instead of 10 megabits per second, that would ensure that all of the satisfactory internet speeds could be considered to be faster and that they would not be lagging behind some of the speeds offered by some superfast broadband providers.

I appreciate that 10 megabits per second is good, but in reality it may well be outdated by the time this Bill comes to fruition and we may need to address the more modern demands of internet service users. I hope that the Secretary of State will give an assurance that the Government will consider higher broadband speeds as this Bill progresses and as they and Ofcom develop the USO.

Furthermore, will the Secretary of State explore the possibility of making superfast broadband a statutory function for all new build properties? The utility should be a lawful requirement so that families and businesses can use it immediately. That would also lower the cost for some service providers. I raised that point recently during questions to the Department for Culture, Media and Sport, and I am keen to hear whether the Secretary of State will consider working with the Department for Communities and Local Government to amend the Bill and make superfast broadband a statutory requirement for all new build properties.

I also welcome the Government’s plan for a new electronic communications code to enhance the provision of broadband both on the ground and in the air. Mobile signal and mobile broadband coverage in North Cornwall is an ongoing issue that needs to be addressed. The hon. Member for Rhondda (Chris Bryant), who, sadly, has left the Chamber, mentioned Polzeath. When the former Prime Minister was there on holiday, he was unable to access mobile phone coverage. That is an issue that affects everybody right across Cornwall. The Bill will help coastal communities in particular and those areas of outstanding natural beauty that have to have mobile phone masts, which present a huge problem in terms of planning applications.

It is critical that we continue to improve all forms of communication, as there are many areas in North Cornwall that lack both broadband speed and mobile phone reception. It is imperative that our mobile operators can erect masts in new areas, to deliver better broadband speed in a number of different ways. As with broadband, farmers are becoming more reliant on a decent mobile phone signal. A recent NFU survey suggested that only 32% of farmers across the country had access to a good signal. Given that farmers are often out working on their own, we should try to take that important step. With superfast broadband being rolled out across North Cornwall, it is becoming easier for mobile phone operators to site masts in rural areas and to cover 3G and 4G internet.

The Government have embarked on a £5 billion investment programme to improve mobile infrastructure. The new code will go further by reforming the old and complex code, which the Law Commission said was “complex and extremely difficult to understand”.

[Scott Mann]
The new code enables operators to upgrade their equipment without having to consult landowners, which can result in disputes and higher rents, as other Members have said, and can cause higher bills for customers and a less reliable service. Concerns have been expressed by the Country Land and Business Association. It is important that operators continue to have a healthy dialogue with landowners, even if statute does not necessarily demand it. By continuing to roll out better mobile coverage, especially in areas such as North Cornwall, we should seek to benefit not just residents, but tourists who come to those areas. By improving the signal in many areas on North Cornwall’s coastline, we will improve Cornwall’s tourism offer.

Phone signal is also very important for communications by the emergency services, and enabling further coverage across North Cornwall should help to keep Cornwall safe. Coastguards have no mobile phone access in many of the areas of outstanding natural beauty on our coastlines, which presents a huge problem.

On our railway services, we rely on phone signal and fast broadband speeds, whether directly to our phones or via the train’s onboard wi-fi service. As a regular user of the railways, I know the frustration that many passengers feel when they constantly lose mobile phone signal or wi-fi internet service. Having communications on our trains is imperative to remain productive on long journeys, especially in the south-west, where rail journeys are often longer due to lower track speeds. I hope that the Government will work with the phone and train operators to improve the provision of mobile coverage across the whole of the south-west.

Ultimately, I am keen to see North Cornwall embrace the digital economy for day-to-day communications and to attract more information technology, coding and gaming companies to the area. North Cornwall is strategically located near the A38 and A30 trunk roads, and it is well situated between two regional airports. It is a good home for IT companies that want to benefit and to attract more information technology, coding and gaming companies to the area. North Cornwall is a good home for IT companies that want to benefit especially in areas such as North Cornwall, we should seek to benefit not just residents, but tourists who come to those areas. By improving the signal in many areas on North Cornwall’s coastline, we will improve Cornwall’s tourism offer.

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The south-west already hosts many people in the digital sector. In 2014, the number stood at 80,000 employees. With its expanding superfast broadband network, North Cornwall and the wider community has huge untapped potential.

I support the Bill and thank everybody for listening.

3.26 pm

Fiona Mactaggart (Slough) (Lab): I am sad that the Secretary of State has just left the Chamber. I have spent the last year causing her problems on the issue of modern slavery, but I have to say that she was really dedicated to trying to eradicate modern slavery in Britain. She did her best to make a difference. She has left behind the Minister for Digital and Culture, with whom I worked on the Public Accounts Committee and who is distinguished by his brains, so I hope that, having heard the debate, to which there have been many significant contributions, he will agree to make shifts in the Bill.

On digital access, I represent a town in the Thames valley and it is one of the most productive towns in Britain. Slough makes more profits per resident than all bar two other places in the whole of the United Kingdom. Yet new developments in my constituency do not have access to superfast broadband, and the residents in those developments just do not understand why that is the case. It would have been simple for this Bill to include a requirement that anywhere new development should have superfast broadband connectivity.

That is one big gap, but I want to spend my time reflecting on the provisions in part 3 of the Bill, which I welcome. I was pleased to work with the hon. Member for Devizes (Claire Perry), who, when she was first elected, took up with a passion the prevention of children from online pornography. We had a series of hearings, and we came up with some really useful proposals, some of which have clearly fed into the Bill.

I also welcome the report by the Women and Equalities Committee which came out today, on children’s access to pornography. I helped to persuade the House authorities to establish that Committee, and it is proving its usefulness well. The report provides clear evidence that watching online pornography is significantly associated with higher rates of self-reported sexual violence perpetration. Young boys get a completely distorted view of sexual relationships because of online pornography. It is a shocking thought that a young man or woman’s first introduction to sexual relations is via pornography, which makes young men think, for example, that women’s body hair is unusual. As Laura Bates said in evidence to the Select Committee, it gives them very strange ideas. She told the Committee:

“I was in a school where a teacher told me they had recently had a rape case involving a 14-year old male perpetrator. One of the teachers had asked him ‘why didn’t you stop when she was crying?’ and he had replied: ‘because it’s normal for girls to cry during sex’.”

That is why getting this right is so important, and I am very glad that the Government have taken these initiatives.

I was impressed by the Tory manifesto, which contained a commitment to “stop children’s exposure to harmful sexualised content online,” and this is clearly the way in which the Government seek to do so. The Government’s impact assessment of the Bill states that the purpose is merely to nudge online pornography providers to comply and introduce age verification, however, which is far more limited than what was offered in the manifesto. One of the things we know about nudging is that well set up and properly structured companies based here in the UK will be nudged, but the problem is that online pornography providers are very often not like that. They are often based overseas, they are often not well set up and they are often used to evading the kinds of controls that we are discussing.

I am concerned that the age verification provisions, which I warmly welcome, do not include a requirement that ISPs should block access to non-compliant or illegal sites. I had a useful meeting with the Minister and his officials, for which I am grateful, where I was told that when the regulator published a list of non-compliant sites, payment companies would withdraw payment facilities and advertisers would withdraw advertising, and that that would do the trick and convince the sites to introduce age verification. I agree that it will, in some cases, but in some cases it might not.

What happens then? The Bill is silent on what happens then. Clause 22 provides only that the regulator can notify that a site is not compliant, and not that he can
require companies to refuse payment or ensure that those sites are blocked. I am sure that the credit card companies and others will do the right thing, and in most cases that will be enough. But what about the sites that do not depend on any UK-based credit card companies, or that use Bitcoin or other non-UK-based financing systems? That is where it can all break down.

The Government are just wrong to believe that the ISPs will block access to such sites on a voluntary basis. They do so in relation to child pornography, but the point is that child pornography is, on the face of it, illegal and an abuse of a child, whereas we are talking about content that is not illegal for adults to view, but that children should be protected from. That is why the power to require blocking is needed. Leaving such matters on a voluntary basis is dangerous, and is contrary to good government. We know that, although some companies will comply, those based overseas that do not want to—they are the least likely ones to comply—will be able to avoid doing so. There should be a mechanism that is justiciable, in which people can appeal and cases can be sorted out properly, not on the basis of informal agreements.

I hope that the Minister—as I have said, he is a clever and thoughtful man—will make sure, as the Bill goes through the House, that the regulator is given a residual power, if companies are not compliant, to force payment bodies to refuse payments. That could deliver what we are talking about, and there could also be an appeal to good government. We know that, although some companies will comply, those based overseas that do not want to—they are the least likely ones to comply—will be able to avoid doing so. There should be a mechanism that is justiciable, in which people can appeal and cases can be sorted out properly, not on the basis of informal agreements.

Mrs Trevelyan: I thank the Minister for his intervention, which will very much reassure those for whom that matter has not perhaps been made as clear as they wish it to be. The key will be to support Ofcom’s proposals, which I understand we can expect at the end of the year, so there is clarity and we can control the situation.

In Northumberland, BT has done an enormously good job in very difficult technical circumstances. When the telephony system was installed back in the 1950s, a cabinet was put at the end of almost every street in Durham, but one was put in only every 10 to 20 miles in Northumberland, with very few copper cables going on for miles and miles. This is proving a very serious challenge for BT in meeting the needs of farmsteads that might now have nine or 10 homes, where in the 1950s there was one farmer who perhaps did not even want mains electricity at that time. We have some real engineering challenges in Northumberland, but I want to put it on the record that BT and Openreach are doing an incredible job in trying to find ways to meet them.

One issue that has not been raised in any detail is the gainshare programme. The BDUK money, which has been rolled out through BT to reach some of my constituents, will not come back in at the speed we would like unless the offer of broadband, where it exists, is taken up by my constituents. The Government need to think carefully about how they get across the point that if broadband is available in a community—it is available in many places, although not nearly enough across Northumberland—people must change their contracts to one involving broadband to ensure that the gainshare will come back in for the rest of the community. The iNorthumberland team at Northumberland County Council have worked tirelessly alongside me for four years in my broadband campaign to drive it out, in spider’s web fashion, to our smaller and smaller communities, but we are definitely not there yet.

The target of reaching 95% by 2017 is very unrealistic in my patch, and we need to review it. The reality is that superfast broadband will continue to expand. Where broadband already exists, superfast broadband will continue to expand, which is fantastic for such constituents. However, it is not good, while superfast broadband keeps expanding, if we cut off more and more small communities as a result because they have not been able to put in place the infrastructure for it.

The challenges of using technologies other than fibre to do that are real. In Northumberland, bizarre enough—we tested it in my own home—the satellites leave us caught between two different beams, so satellite broadband does not work very well. The idea is good, but in practice we are stuck between the two beams. To be fair to BT, it looked at the three villages where we had done some work and has supported trying to drive forward work to get fibre a little closer—the distance is down from 9 miles to 6 miles—to improve things.

There are also some real challenges with point-to-point wi-fi. The Northumbrian hills are quite a long way from one another. In some landscapes in the UK, the hills are closer together and point-to-point may well work much more effectively. In my constituency, the hills are large and at great distances, and the signal fades, so we will...
not get the impact that we need for those living in rural communities. Up the Coquet valley, farmers and their families are several miles—an hour and a half in the snow—from the next community, village or farm, but they need that connectivity available to them.

We have to find ways to ensure we have one-off investments. In the ’50s, some farmers said that they did not want mains electricity, but people will invest in and support the costs to get fibre to far-off communities, to ensure that we do not cut them off. Northumberland gets 7 million tourists every year. They all expect that there will be broadband and wi-fi in the houses they rent and the hotels and bed and breakfasts that they stay in, but it simply is not there, in the most beautiful parts of the county. We need to make sure that the investment is driven right through.

My constituency neighbour, the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), mentioned that we always talk about download speeds, but for business development, upload speed is a vital part of the data process. We must make sure that that is understood. I would like to see it specifically in the Bill. Download is only one part of the process. It is great for streaming films if someone has 10 megabits—or so I am told; I can only get about 4 megabits in my house—but without a very good upload speed, we will not be able to get any kind of business development into rural communities. We want to broaden the engagement of those businesses in our rural communities.

As was said earlier, people who work a four-day week in their office in Newcastle, let us say, but for the sake of their quality of life want to spend three days a week working from home cannot possibly do that work or upload the documents that they need to upload without that clear upload speed of 10 megabits per second. In some of the larger villages in my constituency, the upload speed is often less than 1 megabit per second. It is impossible to work with that from a business perspective. Will the Minister therefore consider how we can make sure that operators meet a commitment on that as well?

Provision of sites for infrastructure is covered in the Bill. I have had concerns for some time—more have been brought up with me over the past few days—about the balance of the relationship between site providers and operators. How the rent for the use of private land by operators is determined will be important in ensuring that land can be rented easily for infrastructure, particularly for telephony systems. I have heard of anxiety from potential site owners that voluntary agreements may be impossible to work with that from a business perspective.

Will the Minister therefore consider how we can make sure that operators meet a commitment on that as well?

The universal service obligation has to be a truly universal service. The obligation should be to make it the same. People say it should be like water and electricity—yes, absolutely it should—but the obligation just does not reach to broadband. It should be about connectivity, so we have to look at digital very carefully. What will the cost be for people who want to access technology in the future? What levels of service can they, should they and must they expect as things move along? How do we tackle digital exclusion for those who simply cannot afford the kind of technology many of us take for granted, particularly as new devices become available for people to use? All those things will have to be considered in the context of how we create a fair digital society and a fair digital economy.

What will the cost be for people who want to access technology in the future? What levels of service can they, should they and must they expect as things move along? How do we tackle digital exclusion for those who simply cannot afford the kind of technology many of us take for granted, particularly as new devices become available for people to use? All those things will have to be considered in the context of how we create a fair digital society and a fair digital economy.

If we look at suppliers, what will the service be like? What should we make sure to look for? The Bill needs to contain ways to measure that properly, something that has been asked for before today. We need to know how the Bill will keep pace with developing technology. Earlier, the Minister talked about 10 megabits per second being a minimum standard. Thank goodness for that, because that will be an absolute minimum in a matter of months, such is the pace of technology.

We also have to consider issues of latency. Upload speed has been mentioned. Voices in the industry are calling for a minimum of 2 megabits, and we have heard about upload speeds from other hon. Members today. Upload speed is a critical factor in ensuring that business can truly compete and that we can take advantage of all the advances coming forward.
The Bill must contain measures to create backhaul and ensure that the distribution of equipment to supply will be sufficient to get into all areas, particularly rural areas. I have been an advocate on this subject for a number of years. Before 5G, I was talking about the availability of 4G and the Government taking the opportunity to use the licensing regime to make sure there is an obligation on suppliers to ensure that rural and remote areas are supplied first. In years to come, they will need it more. They will need to access all those services in the way that others, because they live in commercial areas, take for granted. I hope that that will be taken forward.

As Members have said, 5G needs high-frequency broadcast, so we need to look at lots of infrastructure over a fairly short distance that is able to transmit the signals that will be required to supply that very high-frequency service. When we are looking at filling the gaps in provision, we have to get away from the idea of satellite being an absolute solution. As it stands, it does not fill the gap required to fill 5G. We have to encourage communities, in the way we do in Scotland with the community broadband Scotland programme, to be able to set up their own systems to broadcast a signal, so that it can be developed in future to ensure that 5G is applicable to them. That must be an absolute priority, so that we do not take our eye off the ball on what will happen in the future.

It is important for the Bill to make progress on ensuring people’s rights when it comes to mobile phone contracts. I am grateful to my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk for mentioning the discussion I had with Ofcom last year and what was agreed by the then Minister, the right hon. Member for Wantage (Mr Vaizey). The Bill should include provision so that people who have mobile phone contracts that are not usable or who get a poor service can have the same rights as those with broadband connections to change or cancel their services and move on to another provider. I hope that progress will be made on that. I see the Minister nodding, so I am pleased that that will be coming forward. We do not want people such as Sally who lives in Tomatin in my constituency to be told by a provider that she wants the phone she wanted, that there was no opportunity for it to happen. That happens too much. People have been putting up with too poor a service for too long.

Let me make a final point before I conclude. Tariffs for broadband should be limited to what is actually possible. It should not be possible for a telecoms company to charge someone for 76 megabits per second when they are being supplied with much less and there is no way to get that 76 megabits service. That should be made a condition. In Scotland, we have set out the ambition for 100% superfast broadband by the year 2021. We will take on board all that we need to do to make sure that happens. It is time for ambition across all the nations of the UK to make sure that we deliver something that is truly fit for the 21st century.

3.52 pm

Claire Perry (Devizes) (Con): I rise with great satisfaction to welcome both new Ministers to their places and to welcome the Bill. There is much in it to be applauded. Let me focus on two quick points before moving on to the provisions for reducing the amount of adult material that children can see online, which other Members have spoken about.

Digital access is vital for those who represent rural constituencies. I know how much the previous Minister, my right hon. Friend the Member for Wantage mentioned, that we do not have broadband provision built into the building code along with the provision of electricity and water services as a fundamental utility that every householder should have.

I welcome, too, the direct marketing code that is covered in clause 77. I suspect that many Members have been shown the difficulties, the traumas, the feeling of invasion that people suffer when there is a direct marketing call or letter going to their homes again and again. I really welcome the provision that will put the direct marketing code on a statutory footing, which should make it easier for prosecutions to be brought and for penalties to be applied. Ministers are to be commended for this.

I shall spend the majority of my speech talking about part 3, which is designed to improve internet safety for young people by introducing an age verification mechanism. It seems odd how life goes full circle. It was the Minister of State who sat on the Benches with me all those years ago when I brought this topic up in an Adjournment debate. It was, I think, the first thing I did in the House, and it was the then Minister, my right hon. Friend the Member for Wantage, who responded. We set out a series of requests that seemed to be very sensible, but to which the response was in some ways hysterical. I remember people telling us that we wanted censorship. The right hon. Member for Slough (Fiona Mactaggart), who did so much with me on this topic, will remember that we were somehow supposed to be about burning books because we wanted ISPs to do some simple things, such as provide filtering that was already on, so that it would not be incumbent on parents alone to protect their children; the internet service providers would help them to do that. My goodness, how far we have come since then. We now have ISPs that behave incredibly responsibly in this country, and we have filters whose default setting is “on”.

In this context, I must pay tribute to the former Prime Minister. I believe that without his leadership, we might still be arguing with the industry about these matters. It was his seeing the rationale behind this, and seizing on it, that really got officials and industry to move. I remember that when I was his special adviser on online safety, I was asked to meet the parents of April Jones, who was murdered so cruelly by someone in her area. They could not understand how the man who had killed their daughter had been able to put into the internet search terms such as “naked little girls in glasses” and receive returns from Google, served up for
his pleasure and, potentially, for his stimulation. That was a very hard question to answer. It was absolutely right that we persuaded search engines, including Google, not to return results against a whole series of search terms, but it took intervention from the highest level of Government to make that happen.

It was absolutely brilliant that the Government moved even further, and produced a series of definitions of illegal material. Posting revenge porn is now a criminal offence, as is stalking in the online world, and the Government have also outlawed the depiction of violent rape in either absolute or cartoon form. I am delighted that they have made so much progress, and I know that there is strong cross-party support for what they have done.

Bob Stewart (Beckenham) (Con): It would be really good if, in much the same way, depictions of beheadings and other monstrous acts were banned from the internet.

Claire Perry: My hon. Friend makes an important point. During that long process of conversation, legislation and lobbying, we all discovered that it was very hard to get internet service providers, content providers and search engines to think in this way, because they took a different view. Their view was that they would serve up whatever people wanted, everywhere. If things are made illegal, it is a different matter, so it all came down to a question of legality rather than morality. However, I think we have made enormous progress, and I am proud that we can call Britain one of the most family-friendly places in the world to access the internet. All this has been done, by the way, without any materialisation of the doom-and-gloom scenarios of internet shutdown. My hon. Friend the Member for Folkestone and Hythe (Damian Collins), who chairs the Select Committee—he is no longer in the Chamber—spoke of our dynamic digital economy, which is perceived to be a high-growth, high-innovation area; and while all that has been achieved, we have also established some family-friendly guidelines.

Let me now urge the Minister and his officials to pay particular attention to two aspects of the Bill which concern me, and which others have also raised. The first is the definition of content that is captured by the age verification mechanism. I know that the Bill is quite loosely drafted, and I know that the intention is to capture both commercial material and material that is provided free on commercial sites, but there is a real question about peer-to-peer sites and live streaming. As we all know, the internet is not accessed through the mainstream hub sites, and there is now far more peer-to-peer and free content exchange. I should be interested to know how further drafting would address that problem.

It is encouraging that commercial providers of pornography support these proposals. They think it absolutely right for there to be some degree of age verification, because they are not interested in children viewing their material, and they recognise the commercial benefits of the Bill. That is very notable.

The second aspect that I want to raise is the role of the regulator, and what teeth the regulator can have. Concerns have been expressed today about enforcement. In the light of my association with the British Board of Film Classification, it occurs to me that there may be a role for that organisation in a regulatory structure. It is a trusted brand when it comes to regulating content; its definitions are widely accepted, and it is considered to be highly robust. I have met BBFC representatives and talked to them about the possibility, and they have agreed that there could be a role for them. However, the BBFC’s current enforcement is carried out not through its own powers, but through trading standards or the police, so the question of enforcement still needs to be addressed. However, it does concern me that, as we have heard, while the intention is there to have a level of enforcement—a civil enforcement, perhaps, relating to fines—it is difficult to establish a qualifying turnover and indeed bank account details for many of these overseas sites that are generating and posting content. I would be interested to have further details, perhaps in Committee, as to how those sites could be captured and, of course, what happens if nothing happens. What happens if a site flagrantly disregards this, and refuses to put in place a robust verification mechanism? We should explore the possibility of ISPs being asked to block sites that are effectively contravening UK law.

I urge the Minister to look at what happened with the gambling industry. The right hon. Member for Slough—I like to call her my right hon. Friend—and I could not understand why there was such a disparity. Of course, the gambling industry set up very early on robust age verification mechanisms that blocked under-18s from accessing their sites. There is a mechanism in place, and it has been achieved without any howls of privacy invasion.

Kit Malthouse (North West Hampshire) (Con): My hon. Friend is making a powerful point and I fully agree with it, but does she agree that the difference between the gambling and pornography industries is that all gambling sites require the ability to take money from their customers, whereas not all pornography sites do? That is the critical difference, and the reason why this measure may not go quite as far as she and I would like.

Claire Perry: My hon. Friend is right, although the intention of many of these commercial sites is indeed finally to extract money from the customer either for a single view or a subscription.

Kelvin Hopkins (Luton North) (Lab): I have expressed serious concerns about compulsive-addictive gambling, which is exacerbated by online gambling, as well as fixed odds betting terminals. Are the Government seriously going to address the problem of online gambling and its contribution to gambling addiction?

Claire Perry: That is a separate debate for a separate Department, I believe, but I do take that point, and of course anything that is served up on the internet into our homes becomes ever more accessible, whether it is gambling or legal adult material, or indeed illegal adult material, where the Government have taken such great steps to intervene.

In conclusion, I urge the Minister to be bold. It was telling when we started these conversations so many years ago that there were howls of outrage from many of the same people who have responded to the consultation, and the idea that somehow we were debating a
[Claire Perry]
masturbator’s charter by asking for ISPs automatically to have parental filters turned on. The rhetoric does not marry with the reality.

I know the Minister to be highly logical and sensible and bright—[Interruption]—and all the other things that mean that I clearly would like him to listen very hard. He must be bold and resist attempts to wrap up what is very sensible policy in rhetoric. It is not about nudge; it is about leadership and direction. I am proud we have come so far in this country, and I welcome the progress that will be made in this Bill.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order.

Colleagues have behaved very honourably this afternoon in sticking to the informal 10-minute time limit, but, unfortunately, many Members still wish to speak, so I must reduce that informal limit to eight minutes. It has worked so well that I am reluctant to impose a formal time limit. Let us see if approximately eight minutes will work from now on.

4.3 pm

Yvonne Fovargue (Makerfield) (Lab): I am pleased that this Bill is focusing on the digital economy. However, I feel that some areas need strengthening in order to avoid unintended consequences and that there are missed opportunities.

I want first to talk about the data-sharing powers, and specifically the section of the Bill that enables public authorities to share data to make it easier for Government and public authorities to collect outstanding debts from individuals, particularly where the debt is owed to more than one public authority. Commercial creditors, and even the dreaded payday lenders, adhere to the Financial Conduct Authority standards, but there is no equivalent for public authorities. In a recent survey, StepChange found that bailiffs, local authorities and the Department for Work and Pensions are the top three organisations that people felt treated them unfairly—worse than payday lenders—and that is because of a lack of binding standards and the complete variability of policies. The impact has been 60% of those people taking on more debt, including 21% taking on payday loans. People falling behind with their bills causes great stress, which we know leads to mental health issues and family problems. We need to look at the concept of a breathing space, which I shall say more about later. Problem debt weighs down individuals, families and the economy. It costs us all £8.3 billion. Surely that is a good reason to strengthen the Bill to improve the debt collection practices of public authority creditors, using the best practice available and aiming for consistency across the country.

The Bill mentions that fairness should be paramount in this regard, but there is no mention of the scope of the outline principles for debt collection. Surely there should be guidance as to what good practice looks like, and at least a reference to the standard financial statement and to public authorities auditing their collection and enforcement policies to ensure that they do not make things worse for financially vulnerable households. Also, public authorities will be required only to have “regard” to the code of practice, which is frankly not strong enough. There should be a requirement to comply and to embed decent principles of debt collection in policies and practices throughout public bodies. I appreciate that the Bill deals with only a limited range of circumstances in which data are shared, but there is a wider need for measures to include the provision of a breathing space. The Government are looking into this at the moment. We need to ensure that people’s debt problems are not made worse when they are doing the right thing and seeking advice.

Like the hon. Member for Devizes (Claire Perry), I welcome clause 77, which deals with nuisance calls. We have all had them, but people in debt are particularly vulnerable to the temptation of a quick fix. I would really like to see a ban on the unsolicited marketing of high-cost credit and on fee-charging debt management companies. There is a bit of Mr Micawber in all of us, and it is all too easy to believe that that phone call or text is the answer to our worries when too often it simply compounds them. Currently, one in eight people are called every day by a company offering high-risk financial products. A third of people already in debt receive more than five calls a week from people trying to sell them unsuitable products. This represents the ruthless targeting of the most vulnerable and it needs to be stopped.

We need to ensure that credit is taken out only after careful consideration. People need the time to carry out research to ensure that they are getting the best deal, rather than buying credit after a pressurised sales call that often promises far more than it can deliver. Direct marketing should be opt-in, not opt-out. The tick-boxes are often far too small for people to see. My mother would never be able to see them. They are easily missed and firms should be obliged to say which third parties they are passing our information to. It is our information, and we should know who it is being given to. I am pleased that the size of the fines is to be increased, but they have to be relevant to the size and turnover of the company and proportionate to the number of calls involved. The impact on consumers has not been considered enough. I would like to see a system of fines per calls made, and the possibility of making directors personally liable for these calls, because they are responsible for the conduct of their companies.

The Bill has missed the opportunity to protect consumers and UK businesses from the online sales of counterfeit goods, particularly dangerous electrical goods, 64% of which are bought online. Many measures could be taken, but the full extent of the online problem needs to be assessed, as does the cost to the economy. It is a growing problem—I think it has increased by 12% this year alone—and more than 1 million people in the UK have knowingly or unknowingly bought a counterfeit item. That is bad for business and for the consumer, and in the worst cases, it is a safety hazard. The Bill could provide an opportunity to reduce the opportunity for counterfeiters to sell through online portals, and I hope that this will be considered as it makes progress. We are all consumers; we are all vulnerable to sales calls; we have all had, or will have, income shocks; and we all buy goods online. We deserve the best protection possible. The Bill provides many opportunities to enhance that protection and I hope that they will be seized. I hope that the protection of the most vulnerable will not be overlooked.
4.9 pm

David Warburton (Somerton and Frome) (Con): As we have heard today, the Bill casts its net wide and sets out to address an enormous range of issues, doing so extremely well for most. I want to add my voice to further issues, to echo the words of others and to make a special plea for rural areas and the particular problems that they face.

By the end of next year, 95% of premises are likely to have access to broadband speeds of considerably more than 10 megabits. It is important to note, however, that the remaining 5% is composed of rural areas, which make up much of Somerset and my constituency. For example, just 4% of our farmers can currently access superfast broadband and more than half receive nothing more than 2 megabits—like many of my constituents. Providing hard to reach areas with the framework that they need to get connected is a huge step forward.

However, those affected include not only farmers and other people, but businesses. One of the great opportunities of the digital revolution is that it does not have to be led by urban spaces. Given sufficient infrastructure, rural areas can be just as fertile. If the Bill’s universal service obligation—by whatever means—and its reasonable cost threshold make sense for isolated rural areas, we will have to look at a variety of means and methods, because fibre may not be appropriate. If the reasonable cost threshold makes sense, new technologies and the opportunity provided by reform of the electronic communications code to make infrastructure installations easier can make rural investment pay.

I welcome the electronic communications code changes. Digital connectivity is an essential utility that must be put on the same footing as other public utilities, as we have heard today from many hon. and right hon. Members. Without the improved framework, communities in areas such as Somerset will continue to be connected based on the ease of connecting them rather than their need for connection—two distinctly different things. For example, villages with many businesses and therefore, in purely economic terms, a greater return on investment can currently be abandoned by the fibre programme in favour of less active but easier to reach areas, which makes no sense. If all small and medium-sized enterprises traded online, some £18 billion would be added to the country’s top line, so I think looking at the bottom line and the outcome of infrastructure investment is a pretty good idea.

Many of the harder to reach areas in Somerset will be leapfrogging unaccustomed joy at the move towards compensating those with a substandard broadband service. We all have constituents who suffer from slow broadband—I have a slow connection, too—and Somerset has had some appalling long-term outages recently. One village, West Pennard, had an outage lasting for many days, so a bit of recompense certainly would not go amiss. Facilitating full connectivity and properly connecting rural Britain is the beginning of the path towards creating a much more equitable national picture.

Uniquely, the digital world has the capability to start to rebalance the economy away from London and other cities. If talent is the new capital and if talent is flexible, with the right tools the uneven spread of power can be changed. That represents real equality of opportunity and I might even go so far as to say digital democratisation.

4.14 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): I wish to speak specifically about part 3 of the Bill, which deals with age verification for online pornography. I also wish to draw the Minister’s attention to the Women and Equalities Committee report on sexual harassment and sexual violence in schools, which was published this morning. I am a member of the Committee, which took evidence on the impact that pornography has on young people’s attitudes and expectations. I hope that he will take the time to look it over and take on board our recommendations.

As I have said before in this Chamber, for people of my generation the internet may be a technical marvel, but for children and young people growing up today it is simply a fact of life. Although that brings many advantages, there are downsides, one of which is the easy access to pornography. Some of the statistics on the underage viewing of pornography online are frightening, and we should not underestimate the enormity of the challenge we are facing. In 2014, the BBC’s “Porn: what’s the harm?” survey found that 60% of young people first encountered online pornography when they were aged 14 or younger, with almost a quarter encountering it at the age of 12 or younger. Government research last year showed that 1.4 million people below the age of 18 accessed pornographic material from a desktop computer—that is the equivalent of one in five of all children with internet access. That research was limited to desktop access. When we consider that nearly two thirds of all visits to pornographic websites are made through smartphones or tablets, the scale of underage access to this material starts to come into sharp focus.

The Children’s Commissioner for England has produced research showing a link between children viewing pornography and their engaging in harmful behaviours. The Select Committee heard a wide range of oral evidence, not only on the distorting effect that pornography has on young people’s perceptions of sex, relationships and consent, but that the type of pornography that young people are accessing is often more extreme than many adults realise. Dealing with this issue requires action both to limit children’s access to pornography, and to provide better sex and relationship education to counteract its influence. I congratulate the Government on seeking to put the first of those two steps in place in this Bill.

We should be in no doubt that, for all sorts of reasons, preventing children from viewing pornography online is an exceptionally difficult task. There are no silver bullets or magic wands that the Government can wave. Whatever age-verification gateways are put in place, there will always be ways around them for those determined enough. The international dimension of the problem raises questions about enforcement difficulties, and we should bear it in mind that the vast majority of pornographic websites are not UK-based. Nevertheless, we should not be put off a task simply because it is very difficult; after all, if children were able to get their hands on alcohol and tobacco in the real world as easily as they can access pornography online, there would be an entirely justified outcry. The standards we set for ourselves as a society must hold true in the digital sphere, just as they do outside it.

As grateful as I am to the Minister for taking this issue seriously, I am afraid that I am going to hold feet to the fire when it comes to the detail of the Bill.
The creation of an age-verification regulator with the power to impose financial penalties and enforcement notices on websites sends a strong message about how seriously we are taking this issue. The problems come with the enforcement of these powers. The key weakness of the Bill is that these powers are not enforceable outside the UK’s jurisdiction, where the majority of pornography websites are based. The regulator may well be able to impose a hefty fine on a website for a refusal to put age-verification measures in place, but if the site is based abroad there is nothing the regulator can do to compel payment. The most the regulator can do is inform providers of payment and other ancillary services to the website that it is not complying with the legislation. There is no requirement on those providers to withdraw their services. The Government’s justification for that flimsy approach is that service providers can be relied on to block payments to non-compliant websites, because their terms and conditions specify that their clients must be operating legally. However, that sends a pretty weak signal, and we need to be clear to pornography websites that non-compliance will affect their bottom line.

In the final analysis the regulator must be able to block websites that persist in non-compliance, but again the Bill as it stands is lacking. The Government claim that such powers would be inconsistent with existing processes for online enforcement of terrorist or child sexual abuse material, which are not on a statutory footing. Although that may be true, the difference here is that that sort of material is illegal in almost every legal jurisdiction around the world, whereas the material covered by the Bill can be accessed legally in the UK by anyone over 18. Comparing this with illegal material, and basing an enforcement regime on that comparison, is simply not credible. Without the ultimate ability to block access to websites, their owners based abroad will not be under any compulsion to comply with these regulations.

In their impact assessment for this Bill the Government stated that their aim is “nudging the online pornography providers to comply and introduce age-verification.” I urge the Minister to take another look at part 3, and turn that nudge into something far more robust. We must send a signal to parents and young people out there that this Government and this House find the protection of our children paramount.

4.22 pm

Rishi Sunak (Richmond (Yorks)) (Con): The average smartphone user in the UK uses their device for more than two hours daily, so when we talk about rural communities without access to a mobile signal, let us be absolutely clear about what we mean. We are talking about the fact that people in swathes of our country are unable to participate in an activity that the rest of us consider so indispensable and so vital that we engage in it for 10 minutes of every waking hour.

The Bill before us today contains two important steps towards closing that gap. The first is action to reform the electronic communications code to reduce land rents and to free up capital to invest in infrastructure, and the second is Ofcom’s new powers to capitalise on the opportunities for dynamic spectrum access.

Let me turn first to the provisions for reducing the cost of land used by mobile operators. In going beyond the Law Commission’s recommendations and moving wayleave valuation to a compulsory purchase basis, the Government have acted boldly in the public interest. This one change will do the following: reduce rental costs; tackle the vexatious issue of ransom rents; and begin to close the gap between the rent for an electric pylon—in the hundreds of pounds—and that of a mobile telecommunications mast—up to the tens of thousands of pounds.

Let me be clear: some of my constituents will lose out from this Bill. It is no secret that small rural businesses, farmers and landowners have benefited from the extra income that renting land to mobile infrastructures can provide. It is an important source of income, and I take very seriously the concerns of the National Farmers Union and the Country Land and Business Association. What is equally plain, however, is that, in boosting investment in rural coverage, the potential benefits to rural communities can outweigh those costs. We must not expect the rural people whose income will be reduced by this Bill to receive nothing in return. The analogy is made with the compulsory purchase powers in the utility and energy infrastructure side of our country. For example, when the National Grid is a regulated asset, which means that any cost savings it enjoys as a result of compulsory purchase powers are automatically, by regulation, passed on to customers. In the case of the mobile operators, that is not necessarily so. Interfering with property rights, as the code does, is a major step for this House to endorse. I therefore urge the Government to ensure that the Bill benefits not just the network operators’ balance sheets, but the public interest. Operators will save hundreds of millions of pounds as a result of these changes, and in return there are a few things the Government can do to keep their feet to the fire. First, the Government can ensure that they live up to the obligations of mobile coverage that, by 2017, 98% of UK households have access to 4G and 90% of our land mass is covered by voice and text.

Antoinette Sandbach: Does my hon. Friend agree that it is a great source of frustration that mobile phone companies, when they sell 3G or 4G contracts knowing there is only 2G or no provision, say that it is just an opportunity to access 3G or 4G where there may be such provision? Does he not think that is mis-selling?

Rishi Sunak: My hon. Friend makes a valid point and I share that frustration, which my constituents have also brought to me.

There are further steps that the Government can take. I endorse here the comments of the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr). The Government could suggest progress towards a model of independently owned infrastructure, such as is found in the United States. Independently owned masts are, on average, 10 metres taller. They can host multiple clients, unlike network-operated masts, so they reduce costs in the system, expand coverage and broaden access, and are a welcome development.

I urge the Government to look at the example in Australia where Vodafone and Telstra have combined to form a national roaming agreement, allowing network sharing in the country’s most remote regions. When the next spectrum licence auctions come along, we must ensure that coverage is paramount in the conditions. I concur with the comments by the hon. Member for
Berwickshire, Roxburgh and Selkirk: we should look at the example in Germany, where they use outside-in provisions to cover rural areas before moving to the dense, profitable urban areas.

The second part of the Bill that I want to mention is the slightly technical area of white space. It gives me great personal pleasure to talk about these clauses, for my brother-in-law, as a young PhD student in the United States, was one of the first people in the world to develop a working white space system, which allowed the transfer of data on this innovative new use of spectrum. White space refers to radio spectrum frequencies that have already been allocated to users but which are not always used. For example, digital terrestrial television signals use different frequencies in different parts of the country, so as not to interfere with one another, and that leaves an opportunity for a new generation of mobile devices to use that white space spectrum in particular parts of the country. That process is known as dynamic spectrum access.

Much as I criticise Ofcom in other areas, I would commend it for being incredibly farsighted and enabling the UK to be a leader in capitalising on this innovative new technology. It has set up several trials in the past few years.

The Bill will specifically allow Ofcom to register and regulate geolocation databases. Databases allow the new devices to query exactly what spectrum is being used in what area, and it is a practical and necessary step required to make white space devices much more widespread. White space spectrum is very powerful. It can travel hundreds of miles and through walls. For that reason, it is a technology that we must capitalise on, and I commend Ofcom and the Government for taking steps in that area. It will be of enormous benefit to my rural constituents.

In conclusion, as technology and innovation open up new frontiers and possibilities, it is the role of this House to ensure that every member of our society, rural or urban, can reap the rewards. The foundations laid by the Bill make that outcome a more realistic probability and I am delighted to support the Bill this evening.

4.28 pm

Chris Elmore (Ogmore) (Lab/Co-op): I wish to raise two points. First, I echo the plea that hon. Members have made from both sides of the House that the Bill be improved to make it mandatory for developers to connect new builds to fibre broadband. We make such requirements for water, electricity and gas. Clearly, those are extremely important services, but I would argue that most people who are buying a new house would expect the broadband to be at the very highest level. In my constituency, significant large-scale communities have been waiting up to two years for fibre broadband. Anyone who is paying the significant sum necessary to buy a house would expect to have decent broadband in that property.

Secondly, although I welcome the attempts in the Bill to target online copyright infringement, I am disappointed not to see efforts to tackle the sale of counterfeit electrical goods. Research undertaken by the charity Electrical Safety First found that in that past year more than 1 million people in the UK bought counterfeit items, with 64% of those products being bought online. This is an issue that needs addressing, and it is a missed opportunity that the Bill does not take steps to tackle the problem.

Electrical items were among the top five subjects of complaints to Welsh trading standards offices in 2015. Last Christmas Trading Standards Wales did great work and acted swiftly in response to the national scare over dangerous hoverboards, leading to 228 potentially dangerous hoverboards being prevented from getting on to the market in Wales. Sadly, we know that many of these unsafe products did make it into people’s homes, with catastrophic consequences.

Authorities such as the police and trading standards need to be equipped with the necessary legislation to tackle the growing sales of counterfeit electrical goods, along with a statutory obligation to report the quantity seized so that the scale of the problem can be continually monitored. We also need a statutory obligation on online retailers to report to the relevant authorities those who consistently sell counterfeit electrical products. Such reporting would provide an opportunity to examine the effectiveness of legislation such as the 1994 plugs and sockets regulations to prevent counterfeit electrical goods being sold and imported by online retail platforms.

The sale of counterfeit electrical goods is dangerous and amounts to a huge problem. It is estimated that faulty electrical products are responsible for over 7,000 domestic fires a year. The efforts made by this Bill to target online copyright infringement are important, but do not give the necessary attention to the problem of counterfeit electrical goods. The digital economy created new frontiers and possibilities, it is the role of this House to ensure that this Bill addresses it.

4.31 pm

Justin Tomlinson (North Swindon) (Con): It is a pleasure to contribute to this debate. I shall focus on the universal service obligation for broadband, an area in which we, as a Government, have made huge progress. I want to gently encourage some important tweaks which will help those who are missing out. There have been some incredibly powerful speeches from colleagues on both sides of the House, highlighting just how important access to superfast broadband is. It is a utility, like gas, electricity and water, and it should be a given wherever practically possible.

These tweaks come about from my experiences in my constituency, where we have two challenges that are recognised by most—urban and rural—and the role that BDUK should take in solving these problems. In urban areas, there can be no excuse. We should have, as a given, access to superfast broadband. Clearly, BDUK needs to be given greater powers to hang heads together, get access to the land, and put in the infrastructure so that residents will have the access that we are all so keen to see. Rural areas, more often than not, are not commercially viable. That is where BDUK has to take the lead in making sure that the various pots of money provided by the Government and local authorities to subsidise access are spent quickly and sensibly so that those in rural communities also have broadband access.

In my area about 20,000 houses were not getting access to superfast broadband. The Government provided £2 million, for which we were very grateful. Despite having to make some difficult decisions, the local authority identified a further £1 million, so we had a £3 million pot. Swindon borough council chose to carry out its own procurement exercise which, as a result of reliance on the advice of BDUK, was littered with errors.
First, the council mixed rural and urban areas—two different challenges—and put that out for procurement. There should have been two solutions and two procurement exercises. The council ignored areas already covered by other operators, including EE 4G. Then there was no formal check with BDUK to find out what future work was going to be offered by the traditional providers, such as BT and Virgin, allowing commercially viable areas to access the subsidies—that valuable taxpayers’ money that should have been focused on rural areas, where every penny can make a difference.

Unsurprisingly, the only bid we received in this flawed procurement exercise was from UK Broadband, a 4G provider. That was unwanted by residents, who had campaigned for years for fibre access. It was unscaleable, with poor maximum speeds and capped data usage, and it would fail any form of future-proofing. It was an outdated technology, and it did not even come with the bundles customers traditionally expect, where they buy the TV providers and the telephone line all together. In an urban area, people would have to pay £195 to add another dish to their house and then pay high fees for something that people currently get free with all the traditional providers. Unsurprisingly, residents were appalled.

The local authority is typical of all local authorities: it does not have specific skill sets that can identify what the future technologies will be, so it relies on BDUK’s expertise, and it was BDUK that signed this off and said it was a good idea—in fact, BDUK’s website champions this technology.

As part of an earlier deal in Swindon, in 2012, UK Broadband was going to provide superfast broadband to 60,000 properties. There was a rather heated and frank exchange about that between me and the chief executive on BBC Wiltshire, which I am sure all hon. Members enjoyed listening to. Some 60,000 homes were meant to be provided with superfast broadband, but we are aware only of single-figure subscriber numbers. I am going to be generous and say that there were nine—I am going to give UK Broadband the maximum chance—because it could have been in single figures. UK Broadband has now secured £3 million of funding to provide for 20,000 houses, so simple mathematics means that it will have three subscribers and £3 million of subsidy, or £1 million a subscriber. That is a total disgrace; it is a total and utter waste of taxpayers’ money, which should be used to help rural communities that do not have access.

BDUK has made this momentous error because it is being rated on the number of properties that have access. Those 60,000 houses had access, and the 20,000 houses will have access, but nobody is going to sign up, so access is irrelevant. BDUK ticks all its boxes—what a great job it has done. That is how it will put it in its press releases on its website, which horrify me when I read them. However, the reality is that residents will not have access. We should be setting parameters based on the people who are genuinely going to be able to sign up for a usable, scalable, future-proof service. One thing we do know is that money is precious, and these generous funds are a one-off. If there is a mistake, that money is wasted and there will not be a change.

Finally, I pay tribute to BT and Virgin, which despite this waste of taxpayers’ money, have stepped up to provide a real solution for the urban areas. Bill Murphy from BT Openreach, in particular, has been incredibly proactive. However, I am distraught that the rural areas in my constituency could have had full use of that £3 million when it was needed and that they, too, could have had a fibre solution.

4.37 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): While there is much to welcome in the Bill, and I am glad to read many of the details, I would like to take this opportunity to raise a number of issues—some more briefly than others, given the contributions already made so fluently by many Members.

As regards the broadband universal service obligation, there is an opportunity here to discuss how we now reach the final 5%—the hardest-to-reach families, homes, farms and businesses. As an aside, I should say that I speak on behalf of a community of almost 5,000 people—Blaenau Ffestiniog—whose last bank is deserting the high street this month, HSBC blithely assured me that internet banking would seamlessly replace an over-the-counter service. In all honesty, that is a cynical cover for cost-cutting, and ostensibly assumes that the relative norm of urban connectivity is available to all, when the reality for Blaenau is unreliability and low speeds.

We have already heard that public money for broadband roll-out was intended to reach those areas that commercial providers would ignore if left to their own devices. We need to ensure that lessons are learned, that that aim is finally realised and that the issue is resolved.

As I said, I deeply welcome the concept of the universal service obligation, but I am concerned that the final 5%, which of course includes the counties of rural Wales, such as Ceredigion, Sir Gâr, Powys, Pembrokeshire and Gwynedd, have actually been relatively ill served by Superfast Cymru. I seek an assurance that the Secretary of State will map out those properties affected by the £3,400 barrier in the guidelines—when that price is reached they would not necessarily be included in the universal service obligation—and that a minimum speed of at least 10 megabits per second specifically for those homes and businesses is included later in the Bill so that the universal service obligation really is just that.

I now turn to the issue of wider connectivity. I am sure that the Government must recognise that mobile devices are a vital part of modern life wherever one lives and works. The 2014 deal with mobile companies, trading national roaming for a commitment to 90% coverage by 2017, served rural businesses and communities particularly badly. Plaid Cymru wish to examine the demand for a multi-operator mobile virtual network similar to that of Manx Telecom—Chellinsh Vannin—which would offer access to all mobile networks in Wales on a roaming basis as a means of overcoming chronic not-spot localities. Surely the Minister and the Secretary of State must agree that now is the time for legislation on a universal coverage target for mobile, with a minimum level of 3G provision to be achieved within an identified timetable.

I would have liked to say something about online pornography, but many Members have spoken eloquently about that already. I merely add my support to the points made about the powers of the age verifier and the need to ensure that it has the necessary teeth to put the powers into effect.
Another issue that a number of Members have touched on is the need for social network providers to show a greater sense of corporate responsibility. I feel quite strongly about this. Today we have heard about some of the victims of online abuse. Back in March, I raised this matter in collaboration with the Digital Trust with regard to the Criminal Offences (Misuse of Digital Technologies and Services) (Consolidation) Bill. That Bill identified a series of responsibilities to ensure that all providers of online services adhere to a code of professional standards, including advice on what victims could expect from such providers in future in relation to quality service standards and levels of care. The Digital Economy Bill could look at the expectations placed on providers in terms of regulation, a code of practice, and their obligation to undertake safety impact assessments. It is a pity that we have yet to see that, and I would like to see it later on.

My final point—I suspect that I will be unique in bringing this up—concerns the concept “digital by default”. I would like to take this opportunity to put on record the significance of ensuring respect for Welsh-users’ statutory right to equality of service. This should be explicitly enshrined as a matter of principle in digital government. “Digital by default” must mean “digidol ddiofyn”: not something to request, but clearly available and welcoming to use. The linguist András Kornai has estimated that of the 7,000 languages spoken in the world today, some 2,500 are considered to be endangered. Digital language use increasingly touches every area of communications, from social media to digital government. If a language is not on the web, it can be said to no longer exist. Kornai estimates that the digital divide will whittle down the number of languages to 5% of those currently in use. The move to digital communications is likely to cause an immense die-off of 6,000 and more languages the world over.

Written Welsh language use is expanding on social media, but I beg the Government to ensure that high status and essential communications in Welsh are made as accessible as possible in their own services as they move online. Targeting facilities, as mentioned by the Secretary of State, might play a leading part in this. Given the issues arising from legacy IT systems and designing bilingual digital platforms, I urgently request that the Minister commit to ensuring interactive and user-friendly Government digital services for Welsh speakers. I would welcome the opportunity to speak further on this.

4.44 pm

Nigel Adams (Selby and Ainsty) (Con): I welcome this Bill and much of the important detail it provides on broadband and mobile connectivity issues, which are of particular interest in a rural constituency such as mine in North Yorkshire. I mention my entry in the Register of Members’ Financial Interests with regard to shareholdings in and directorships of two telecoms businesses.

One area in which the Bill has great intentions but very little detail is its intellectual property provisions. The Bill has great potential to make immense improvements in that area, and I would like to talk about the issues in my particular capacity as chair of the all-party parliamentary group on music. Those Members who are keen music fans are very welcome to join me at the British Library this evening, to attend its exhibition on the 40th anniversary of punk rock music.

This year’s “Global Music Report” by the International Federation of the Phonographic Industry showed that digital music currently contributes 45% of recorded industry revenues and that it has overtaken physical market revenues this year for the first time. Given the increasing prevalence of digital consumption in the music sphere, the music industry strongly supports the growth of a legal and functioning digital market, but that is not what we have at the moment.

Indeed, as I have said in the House before, I was stunned to meet a songwriter who, for more than 2 million plays of his song on YouTube, received the princely sum of less than £6 in payment. His experience is not unique. The music industry would like its creative content to be a driver of the digital economy, but if creative personnel cannot make a living because of how that market works, we could lose what is a world-beating industry for Britain, given that one in six albums sold worldwide come from British artists.

UK Music’s “Measuring Music” report, which was released yesterday, reveals that, while sales of digital downloads have slowed, the use of streaming services has increased strongly. It is critical that the sector delivers both for creators and for consumers.

Clause 26 sensibly suggests equalising online penalties for copyright infringement so that they correspond to physical offences. Many Members have indicated their support for that. Increasing the terms of imprisonment from two to 10 years will act as a suitable deterrent to those who profit from activities that harm our creative industries, which, let us remember, contribute £84 billion to the economy. Given the high proportion of digital revenue entailed, we should not damage further growth by treating digital offences as somehow less important than physical infringements.

Other measures, such as the universal service broadband obligations in clause 1, will increase the opportunities for people to enjoy creative content online through faster broadband speeds.

There has not been a Digital Economy Bill since 2010. Technology and consumer choice have already advanced considerably, so it is important that we do not miss this opportunity to move with the times. We do not know when we will get another opportunity to discuss these issues in the form of a Bill. It is highly possible that we will have left the European Union before then. We must ensure that the Bill is future-proofed, which to my mind means expanding it in some respects.

Two particular issues occur to me. First, at last week’s annual general meeting of the British pornographic industry—[Interruption.] I have no idea whether the British pornographic industry has an AGM, or whether there is such a group. I am certainly not its chair, although, looking across the House, I see that there are one or two candidates. I must get back on track. At last week’s AGM of the British Phonographic Industry, its chief executive officer, Geoff Taylor, called on the Secretary of State to seriously consider measures to provide a mandatory code of practice between search engines and rights holders, if a voluntary code between the two fails.

Given the ease of access to infringing music and film content on search engines, that seems sensible. What is the Secretary of State’s response to that? Does she agree that creating a backstop power would be consistent with other approaches to IP legislation? For instance,
the Enterprise and Regulatory Reform Act 2013 made a similar provision for a code of conduct for collecting societies and other organisations that administer royalties.

Secondly, we expect the European Commission to make a statement this month as part of its digital single market strategy, which is likely to attempt to address the so-called value gap, whereby rights holders are denied fair value owing to out-dated safe harbour laws. For example, “Measuring Music” reports that YouTube increased its music rights payments by 11% last year, but total streams grew by 132%. The Government previously viewed that as a European Union issue, but given impending Brexit, will they use the Bill to ensure that we get it right now? Will the Minister consider measures that would give UK creators and businesses certainty about how their rights will be respected when we leave the EU?

My remarks thus far have centred on the music industry, but I conclude by saying that this part of the Bill is equally critical for our other industries, including film and television, which are closely intertwined. Considered through that lens, the Bill contains a welcome provision to repeal section 33 of the Copyright, Designs and Patents Act 1988, which was originally introduced to encourage the roll-out of the then nascent cable platform, and that objective has clearly been achieved.

Although this was not envisaged when it was introduced in the ‘80s, section 73 of the 1988 Act is now relied on by a series of online service providers, such as TVCatchup, to make money from the public service broadcaster channels by retransmitting them while selling their own advertising around the PSB’s content. Such so-called services undermine the online streaming services and on-demand catch-up services provided by the PSBs.

That leads to a loss of audience from PSBs’ services and a loss of advertising and sponsorship revenue for the commercial PSBs, which makes it harder for them to achieve a return on their investment in content.

None of the substantial sum of money made by those parasitic services is paid to the PSBs, or to the underlying talent and rights holders in the content, and none of it flows back into original UK content production. I therefore urge the Government to ensure that repeal is delivered at the earliest opportunity, which is Royal Assent, so that those who wish to retransmit or otherwise use PSB services have to negotiate a price for to do so within the must-offer regime in the Communications Act 2003. That will enable those who create content to make a return on their investment and continue to make the programmes that viewers love, which are the envy of the world.

This is, in many ways, a very good Bill. I hope that, as it progresses, the Government will consider how we can make it even better and more supportive of our creative industries, which are true drivers of our digital economy and some of our best exports.

4.52 pm

Graham Jones (Hyndburn) (Lab): I am pleased to speak briefly to the Bill. I am glad that it has come before the House and that we will have the opportunity in Committee to debate it, refine it and take forward some of its welcome elements.

First, I want to talk about the universal service obligation. I welcome the commitment to improve access. Internet speed is enormously important in the digital age, and the USO will give those who have a poor connection the legal right to request a faster one. Some of the 5 million people who have suffered from the Government’s failure to deliver fast access to the digital economy will finally be able to access faster internet, albeit at an unambitious 10 megabits per second rather than the genuinely superfast speed of 24 megabits per second.

I want to touch on intellectual property, which the hon. Member for Selby and Ainsty (Nigel Adams) mentioned. At the other end of the spectrum, an issue has been raised with me on which I would like some clarification from the Minister. By and large, live music performance licences are paid via intellectual property and redistributed among the music industry. A performer at a small festival has to pay an intellectual property licence fee, even though they have no intellectual property because they only do small live performances and they do not release records. That fee is taken from the poorest and given to mega-bands such as U2 and well-known music artists. The Bill offers the Government an opportunity to look at music licences for those at the very bottom end, who do not have any intellectual property but who are paying intellectual property rights to some of these famous musicians. That is a transfer of money in the wrong direction.

I move on to the issue of online pornography and abuse. Although I welcome the increased protections for children against adult content online, I am concerned that the proposals do not have a lot of teeth. There needs to be a firming up of what is in the Bill, and I hope that that is done in Committee. There have been no concrete plans for the enforcement of those protections, particularly when non-UK companies are involved. My hon. Friend the Member for Rotherham (Sarah Champion) has raised many of the concerns with the Bill.

The Information Commissioner has quite rightly pointed to the consequences of failing to think through these plans, highlighting the possibility that information on passports or driving licences may be misused when collected as part of an age-verification system.

The Bill lacks much needed provisions against online abuse, which is often ignored by companies that are not responsible for the content they host. As we have all seen in recent times, there is a growing tendency for people to say things that are simply abusive and to get away with it. The UK is shamed by the level of abuse that we seem to find acceptable, and something ought to be done in the Bill to tackle that.

On the Government’s plan for increased data sharing, I have a particular issue I want to raise. More generally, however, the Bill makes it easier for public sector organisations to share data without individuals’ explicit permission, which I welcome. My one concern in this area relates to where there are two-tier authorities. I hope the civil servants are taking note and that Ministers are listening. Lancashire County Council wanted to increase the uptake of free school meals, but information on benefits, such as council tax benefit and housing benefit, is held by the district councils. The county council does not have access to such information and cannot reach out to vulnerable people in society who may be entitled to such support. In the past, I have been asked by the county council to intervene. It is wrong
that unitary authorities can share such data, whereas Lancashire County Council and Hyndburn Borough Council cannot do so. This issue ought to be resolved, because it affects content beginning to fray. There is the issue of budgetary pressures, with the merger between BBC News 24 and World News—or the proposal for their amalgamation—leading to a reduction of news services and the danger that we will be left with a monopoly for Sky News if we keep going down this road. I am deeply concerned that the BBC should provide choice and competition with other providers, by which I do not necessarily mean Sky, but primarily Sky in this case.

The Government’s handling of charter renewal has been far from satisfactory, particularly in relation to the BBC Trust and the Government’s involvement in the appointment of some of the trustees. Carried out behind closed doors, without any public consultation, that process lacked transparency and called into question the BBC’s independence. These issues were raised by my hon. Friend the Member for Hartlepool (Mr Wright) said a lot about this—are less likely to be awarded credit or a mortgage, have fewer protections against redundancy and often have no guaranteed hours. The Bill does absolutely nothing to provide safeguards for this rapidly expanding group of people.

I have been a critic of the Government for how they have gone about renewing the BBC charter. Although the BBC accepted the funding deal in 2015 and assumed the annual cost of free TV licences for the over-75s, the extra cost of £608 million is unduly burdensome on an organisation that is already strapped for cash, with the quality of its content beginning to fray. There is the issue of budgetary pressures, with the merger between BBC News 24 and World News—or the proposal for their amalgamation—leading to a reduction of news services and the danger that we will be left with a monopoly for Sky News if we keep going down this road. I am deeply concerned that the BBC should provide choice and competition with other providers, by which I do not necessarily mean Sky, but primarily Sky in this case.

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The hon. Member for Selby and Ainsty touched on retransmission fees. Public sector broadcasters have given their content, for free, exclusively to Sky and Virgin to deliver on other platforms. It is welcome that the Government are addressing that issue. Such public sector broadcasters ought to be protected if they are forced to provide their content on such platforms. They ought to be financially compensated for the ability of Sky and Virgin to carry complementary and additional programming services on their platforms. The alternative is to allow the public sector broadcasters to withdraw that provision, which would probably not be welcome. It would be better if Sky and Virgin were forced to pay to transmit the five channels.

One issue not covered in the Bill—I ask the civil servants and the Minister to take note of this—is the value of the electronic programme guide. We should deal with that. Increasingly, it is valuable real estate on television. It ought to be for Ofcom to determine the permissible parameters and scope of the electronic programme guide for various broadcasters. As anyone who watches Sky knows, it has put the guide one tier down. Viewers are presented with Sky content on the programme guide for various broadcasters. As anyone who watches Sky knows, it has put the guide one tier down. Viewers are presented with Sky content on the top tier. Sky and Virgin do that voluntarily.

I believe that Ministers should look at the issue of the electronic programme guide. It should be under Ofcom, and there should be a regulatory framework for its delivery. We may start to see advertising on the guide. Furthermore—this does not relate to Sky or Virgin—smart TV manufacturers are putting their own EPG on. Companies such as Netflix want to link up with those manufacturers to put themselves ahead of the BBC. There is a real issue here. We are starting to see a fragmentation of exceedingly valuable commercial space. There ought to be a new clause in the Bill dealing with that issue.

I move on now to an issue that really pains me, and one on which I want to see the Government come down hard. It is all very well talking about 10-year sentences for intellectual property crimes, but when will we see 10-year sentences for some of the people who, through direct marketing, scam some of the most vulnerable people in society? We keep seeing programmes and exposés of companies that seem to keep most of the receipts from telephone marketing and pass on very little to the charity on whose behalf they are calling and seem to frequently call the same vulnerable, elderly people to take huge sums off them. That is a scam. It should not happen in today’s Britain. We should not condone such behaviour. We should look after the vulnerable.

There should be thresholds on how much those companies can skim off. The national lottery can take 0.5%; I do not see why those marketing companies cannot be told that they will get 0.5% and the rest will go to the charity. It should at least be explicitly clear how much is being raised for the charity. Vulnerable people are being repeatedly targeted, and that needs to be dealt with, so does unsolicited junk email, which costs British business considerably.

We talk about a digital economy, but when I speak to businesses they say that they are sick of and fed up with the amount of junk email they receive. It hinders their businesses, and is costly and burdensome. It needs to be dealt with. We need a more robust Government approach, as we do for the all junk mail that comes through our letterboxes. My suggestion to the Minister is that those sending it out should be obliged to put a return to sender postal address on it, so I can march down to my local post box with all that junk mail I do not want to send it straight back to the company that sent it to me; then, I hope, they would get the message and not send any more. The amount that is sent out is outrageous.

Finally, there is the issue of selling on of mailing lists. There is a lack of transparency on internet sites about when people have to opt in or out, and whether personal information can be used. Ultimately, it is a scam in which information is sold, which is why that abundance of unwanted emails because someone has commercialised our data. That bulk commercialisation is unacceptable, and the Government have to step in, for no other reason
than that if we ask business people in this country they want to see something done about mass marketing that is affecting and costing their businesses.

5.4 pm

Fiona Bruce (Con): I welcome the Bill and the Government's commitment to the universal service obligation and a quality high-speed broadband connection to every home and business. I do so in the hope that it will facilitate an end to the difficulties endured by many of my constituents, of whom Ministers are aware, as a result of poor internet speeds that are in some cases wholly inadequate, such as the business owners who have a broadband connection so slow that it can take hours to send one email. I hope, too, that it will end the deep frustration of buyers of new build homes, such as those in Somerford in my constituency who found themselves totally unwittingly moving into their new homes with no broadband service in place, and which then took months and repeated endeavours to get connected.

I welcome the Government's aims in part 3 to protect children from access to online pornography, although I have some reservations that I would like to go into regarding enforcement capacity. I await, too, the details of the age verification procedures. As many as one in 10 visitors to adult sites are children. Some 80% of children now live in households with internet access, so they increasingly have the opportunity to access pornography. I welcome the ambitions of the Bill to make online access to pornography harder for young people, but, as several hon. Members have said, there are reservations.

A number of colleagues have been concerned about this matter for some years. Since entering the House in 2010, I have been part of a group of MPs who produced a report on protecting children from online pornography. I welcome the fact that the report's considerations were fed into the Bill.

On my specific concerns, I would first like to draw the attention of Ministers to a possible anomaly in the Bill as currently drafted relating to the supply of videos on demand. UK-based video-on-demand services are already regulated by Ofcom under the Communications Act 2003, as amended by the Audiovisual Media Services Regulations 2014, which only mandate age verification protections in relation to R18 material, but not 18-rated material. If this interpretation is correct, it is an omission. The failure of part 3 to cover video on demand means that children will remain unprotected from 18-rated videos on demand. I am sure that that is not what the Conservative party manifesto meant when it committed to stop children's exposure to harmful sexualised content online.

I hope that that can be corrected by an amendment. In that regard, I commend to the Government Lady Howe's Online Safety Bill, which had its First Reading in another place in early June. The Howe Bill specifically includes video-on-demand pornography and applies consistent standards on age verification across all 18 and R18 online video-on-demand pornography. I pay tribute to Lady Howe, and to the organisation Care for the Child, for the work it has undertaken on this issue over many years. Will the Minister explain either how, despite clause 15(5)(a), part 3 somehow fully engages UK-rated video-on-demand material, or alternatively how this anomaly could be considered and corrected in Committee?

Let me turn to other concerns about enforcement, echoing many of those raised by other Members. First, the Bill contains powers for the regulator to impose large fines on providers for persistent non-compliance. The figures are substantial: either 5% of turnover or £250,000. Although I welcome what looks like a helpful provision, a study by the Authority for Television On Demand found that 23 of the top 25 adult entertainment sites were based outside the UK. Admittedly, that was in 2014, but the question arises of how the regulator proposes to fine a pornographic website targeting the UK if it is owned by a company located in Russia, for example.

Secondly, I support mandatory financial transaction blocking for non-compliance. However, although clause 22 allows the regulator to inform credit card companies and other payment providers of non-compliance, I share concerns that there is no requirement for them then to block payments or withdraw services. I understand that the Government's answer to this issue is that they do not think it appropriate or necessary to place a specific legal requirement on those payment providers to remove services, based on the belief that payment companies can be relied on to do so because their terms and conditions require merchants to operate legally in the country they serve. I remain concerned that such a view is optimistic. One reason is that some of these payment providers generate significant percentages of their revenue from adult websites. They are not incentivised to adhere to mere requests to block transactions—a point well known by pornography providers, which further decreases their fear of non-compliance.

Thirdly, no provision is made to allow the regulator to block sites that are non-compliant. I understand that the reason for this omission is that it is disproportionate and considered not to be in line with other policy areas. It seems curious that we are willing to grant powers to courts to take down content that infringes intellectual property, but not to extend the same power to an organisation tasked with preventing children from accessing
all manner of sometimes violent and explicit material, which can have a devastatingly negative effect on their lives.

When granting powers to the state, a high threshold has to be met. The stakes on this issue are high. There has been a disturbing rise in sexual violence committed by young people against young people. Over 800 cases of sexual assaults committed by children under 10 were reported to have occurred between 2009 and 2015. Although growing access to online pornography is not the only explanation for these figures, it is believed to be contributory, with individual cases pointing to it as a primary inspirer of such activity.

While engaging in consensual activity, young people are under increasing pressure to live up to a standard of behaviour portrayed in online sources. They are encouraged to engage in riskier behaviour and to meet an unrealistic standard of physique. This, in turn, can cause problems of low esteem or remove expectations of any emotional connection with sex.

The Government’s impact assessment states that the purpose of the Bill is “nudging the online pornography providers to comply and introduce age verification”.

The Government’s manifesto promised to “stop children’s exposure to harmful sexualized content online”, not merely to nudge it along. I restate my welcome for the ambition in part 3, but I hope that real teeth will be provided as the Bill progresses.

Finally, having said all that, whatever protections the Government devise, they cannot be comprehensive. Parents need to be given as much information and support as possible to enable them to engage with and protect their children from harmful behaviour online in what is a very challenging environment for many parents. That responsibility might not be the responsibility of the Ministers in their places today, but it should be grasped by someone in government.

5.14 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to follow the hon. Member for Congleton (Fiona Bruce), who made some important points. In the short time that is available to me, I shall make similar points, but I think that they should be put on the record. They relate to access to pornography, protection for children and protection from websites in other countries. We have an opportunity to get the legislation right, and I know that Ministers will take that on board in Committee.

In 2014, the Authority for Television On Demand reported that “23 of the top 25 adult websites visited by UK internet users... provide instant, free and unrestricted access to hardcore pornographic videos and still images featuring explicit images of real sex.”

It also reported: “Only one of the 1,266 adult websites identified...as having been visited from the UK in December 2013 was a service regulated in the UK.”

There is clearly a problem and a need for legislative change, and I hope that that can happen. The key question is, how do we enforce part 3 in relation to foreign sites?

There are two basic tools enabling us to rise to the challenge, financial transaction blocking and IP blocking—that is, the blocking of individual websites.

First, the Bill does not provide for any statutory obligation to require financial transaction providers to block transactions with sites operating in violation of UK law, with the imposition of penalties if they do not do so. When pressed on the point, Ministers have suggested that that is not necessary because financial transaction providers are already subject to a general requirement not to process transactions that are in violation of domestic legislation. I am not persuaded by that logic, and I do not think that many other Members are persuaded by it either. On that basis, it could be said that there was no need for a Bill to give the regulator any responsibilities regarding financial transaction providers.

Clause 22 does give the regulator the power to tell a financial transaction provider if a website is operating illegally by not providing age verification checks for the UK market. However, having given the financial transaction providers the information about non-compliance, the Government then fail to address enforcement properly by leaving the financial transaction providers and the existing terms and conditions to get on with it by themselves. We need to sharpen the Bill and make it more effective. At present, there is a curious, half-baked approach that is neither one thing nor the other. The Government are giving the regulator a statutory role in telling financial transaction providers when a company is operating illegally, but then leaving the matter hanging in the air without the provision of a statutory power to follow through and ensure that providers act accordingly to block transactions.

I am convinced that if this policy is to be a success, robust enforcement is key, and I think that many other Members share my view. In that context, it is vital to note important research conducted by Victoria Nash, of Oxford University, on the enforcement of age verification checks in relation to gambling sites in different European states. It concludes that where there are “strict audit and enforcement requirements”, there is an incentive to invest in “high-assurance identity and age-verification processes”, but “where enforcement is patchy and uncertain, the incentives to invest in expensive authentication systems are less clear”.

According to Nash, that is “especially true for smaller or less well-known companies who are also less likely to receive reputational damage if any illegal selling is revealed.”

Let me put that in context. When we are dealing with something as important as child safety, when the evidence suggests that certainty about enforcement is critical, and when the decision to give the regulator power to inform financial transaction providers of sites that are in contravention clearly suggests that the Government have already conceded that simply leaving things to the financial transaction providers is not enough, it is clear that the Bill needs to give the regulator a stronger role in relation to enforcement by requiring the financial transaction providers to act.

Secondly, the Bill makes no provision for statutory IP blocking, which is a critical second line of defence, and which is vital if we are to get this right. In the context of an increasing amount of free pornography, it is important that the UK regulator is seen to be a powerful body, with teeth, whose warnings are heeded because the operators of the sites in question know that it has the
[Jim Shannon]

power to cut them off from the UK market entirely if they try to ignore the need for age verification processes. That power can be there. There may be a need for this sort of power if websites start trading in so-called cryptocurrencies which cannot be blocked by Visa or Mastercard, or in situations where a free website is funded by advertising but, in the language of the Bill, the ancillary service providing the advertising is not based in the UK and does not withdraw its services from a site.

In these contexts, if the regulator is denied the power to block IPs, it will have no leverage on the pornography site whatsoever, which is unacceptable. Of course the Government have sought to justify their decision on the basis that they believe it would be disproportionate and there are no statutory provisions in this regard for child sex abuse images. This, however, completely misses the point. The reason why there is no need for statutory IP blocking is because child sex abuse images are illegal in most jurisdictions. There is a very strong international consensus that they are wrong—I am not aware of any countries that will say otherwise. The pornography that we are talking about protecting children from is, by contrast, perfectly legal for adults. Despite the evidence that much of it is seriously damaging to children, there is a much greater need for legal compulsion if we are to take significant strides in persuading sites that they need to protect them from accessing material that it is legal for adults to see.

Moreover, current statute does allow for the courts to order ISPs to block websites that are breaching copyright, and that is good news. I understand that in July the Court of Appeal ordered ISPs to block websites that offer counterfeit goods for sale. How can it be right that ISPs can be required by law to block websites harming businesses but not those that harm children? That is incredible—perhaps the Minister will tell us whether that is the case. Let us take the action, get the legislation in place, and make sure we get it right and protect children.

I am not suggesting that if this Bill makes provision for statutory IP blocking that the regulator would use it regularly. The fact, however, that it could use it will cause sites based outside the UK to take it seriously. Mr Speaker, given that we are talking about pornography, I very much hope that you will forgive the pun, but it seems to me that the Government’s regulator, without the power to require mandatory financial transaction blocking and IP blocking powers, is a king with no clothes. I request, and hope, that as this Bill passes through its Committee and Report stages, the Government will make good these deficiencies.

5.23 pm

Caroline Ansell (Eastbourne) (Con): My right hon. Friend the Minister for Digital and Culture visited my constituency last year. We meet M-Tech, a local enterprise that provides IT solutions to small businesses and education, and we spoke about many of the provisions in the Bill. I welcome the Bill and I am sure the Minister in turn will welcome the news that Eastbourne was recently identified as a hotspot for creative industries. That is very good news and we are looking to build on it, in part through some of the Bill’s provisions. But today I want to confine my remarks to concerns on child protection and age verification, while noting that in keeping children safe online, nothing compares to the role of parents and schools. Industry, however, does have its part to play.

I am pleased that the Government are using this Bill to press ahead with our manifesto commitment to stop exposure to harmful sexualised content online by requiring age verification. The central question now, however, is how we rise to that implementation challenge, being especially mindful of the fact that the vast majority of online pornography accessed in the UK is from sites based in other jurisdictions. According to the Authority for Television On Demand, 23 of the 25 most popular porn sites among British users are located in other countries.

The Bill proposes to give the regulator the power to impose fines on non-compliant sites, but what happens if a site in another jurisdiction refuses to pay? The Bill’s enforcement proposals on financial transaction blocking rely heavily on ancillary services and payment providers removing their services from sites illegally accessing the UK market from other countries.

As research from Oxford University has demonstrated in relation to age verification checks for online gambling, the best guarantee that age verification checks will be implemented is the certain knowledge that, if they are not, financial transactions will be blocked. Having alerted a financial transaction provider about a non-compliant site, under the provisions in clause 22, regulators should then be required to follow through and ensure that the transactions are blocked, and have the power to act if they are not.

The Minister, Baroness Shields, explained last December that the Government were obliged to introduce new legislation before December this year to make provision for the adult content filtering regime that the Government had negotiated with the big four ISPs back in 2013. She explained that this was necessary because, without legislation, the voluntary approach negotiated by the then Prime Minister would be deemed illegal under European Union law. Although this country has voted to leave the EU, we remain a member at present and we will certainly still be a member in December. Mindful of the fact that this hugely important arrangement helps to protect 88% of British households with children from a wide range of adult content—not just pornography—it is vital that it should continue. How does the Minister see this important protection continuing, if not through the vehicle of the Bill? I look forward to hearing his comments.

5.25 pm

Antoinette Sandbach (Eddisbury) (Con): I very much welcome this opportunity to take part in the debate. Like many of my parliamentary colleagues, I agree with the majority of the principles outlined in the Bill. However, I must caution that it is the way in which they are applied that will ultimately make the difference. In my rural Cheshire constituency, many people feel left behind. There has been huge progress with Connecting Cheshire, but 18,000 households in my constituency remain without access to superfast broadband. At present, they feel that providers can bat around excuses and let themselves off the hook without explaining why my constituents are living in digital blackspots. Those households also seem to be the ones without a mobile signal. That digital exclusion represents a double whammy for them.
We have seen banks being hauled up for mis-selling PPI insurance. I would quite like to see mobile companies being hauled up for mis-selling contracts to customers such as those in my constituency who, more often than not, cannot get a signal. They are being sold 3G and 4G contracts even when the providers know that no such service exists in their area. The chief executives of many of the phone companies have openly written to me to say that they provide only a 2G service there. I urge the Secretary of State to close that loophole and to ensure that the Bill makes provision for those people either to get out of their contracts quickly or to access the 3G or 4G service that they have paid for.

In relation to broadband blackspots, Connecting Cheshire offers a voucher that allows access to satellite broadband. I would like the Bill to offer the opportunity for technology-neutral vouchers, so that customers can decide whether to use them to obtain a wireless connection through radio broadband. That is a very effective provider of broadband that can, in many areas, provide a solution to the last 5% of customers. I have heard many other Members call for those who are at present excluded to be the first to be brought in under any new contracts, and I would like to add my voice to that call.

Like many others who have spoken today, I have farmers in my constituency who cannot upload the information that they need on, for example, cattle passports or on claiming their single farm payments. More and more VAT returns can now be completed online, and digital exclusion really affects those peoples’ businesses, given the amount of time they have to spend working with a really rubbish connection. This is hugely costly to us as a nation.

I also want more sense from BT. Old connections to exchanges can often run over many miles through copper wire. However, modern developments mean that there are often much closer exchanges that may already be fibre-enabled, but there is no power to require BT to move exchanges. I want that loophole closed so that constituents who are closer to a modern exchange can get connected.

Calum Kerr: I absolutely agree with the hon. Lady on vouchers. My worry is that a USO through BT will have a minimum standard or that a satellite USO will just hit the minimum. With a voucher system, communities would be empowered to come together and could use it as a foundation to aim higher than 10 megabits and get fibre to premises. We must not lock the scheme down and restrict the creativity of people in our communities.

Antoinette Sandbach: I hope that Connecting Cheshire will allow communities to band together and use vouchers in areas where superfast broadband has not yet been delivered. I urge the Secretary of State to allow that flexibility and to require BT to provide the money that would otherwise have been available for connection. I welcome the USO—it is a great step forward—but it must be set at 15 megabits and must also include minimum upload speeds.

Finally, on protecting children, we have heard much about age verification, but an NSPCC report indicated that eight children a day are being groomed online—not through access to child pornography, but through social media. Ofcom needs much better powers to deal with online child grooming and social media sites, such as Instagram, Facebook and Twitter. When someone is below the age of consent—under 16—there should be parental access or some form of parental portal, but that is completely absent from the Bill. I appreciate that that is difficult when ISPs are located abroad, but with the problem of eight children a day being groomed online not being substantively addressed, other than through the valuable work of organisations such as Childline, we need to be able to close the door that allows abusers into children’s bedrooms.

Liz Saville Roberts: I am sure that the hon. Lady will agree that it is a real source of concern that the only way of addressing issues with Facebook for people who have suffered through the misuse of profiles is to go to Ireland’s Data Protection Commissioner. We do not have the means to deal with such matters in this country.

Antoinette Sandbach: The Secretary of State’s previous role was at the Home Office, which has an interest in online criminality and the vulnerability of children, so I hope that she will take note of the comments made today. There is much to welcome in the Bill. New regulations on data protection, which will largely replace the Data Protection Act 1998, may provide an opportunity to close some of the windows. I urge Ministers to consider such provisions given the large number of online grooming cases and the potentially devastating consequences.

5.33 pm

Mark Menzies (Fylde) (Con): It is a pleasure to follow my hon. Friend the Member for Eddisbury (Antoinette Sandbach) and an even greater pleasure to see the Secretary of State in her place. We have heard about the work of previous Secretaries of State in getting the Bill to where it is today, but I want to put on the record my appreciation for what the current Secretary of State will do to ensure that the Bill is implemented in full. I support this Bill. It is necessary and its time has come, but that does not mean that it could not be improved. With that in mind, I will refer to clauses 75, 76 and 77.

Clause 75 deals with regulatory aspects of Ofcom and the BBC, and in my capacity as vice-chair of the all-party group on the BBC I have received representations from Ofcom members of the National Union of Journalists. They approach the issue not out of a desire to see no change but out of wanting to ensure that the editorial integrity of the BBC is protected. As someone who appreciates the value the BBC has to offer and the Government’s intention, which is not to try to impinge on that editorial independence, I urge the Government to give dutiful consideration to these clauses, to ensure that at no future point could the BBC’s editorial independence be infringed.

Clause 75 aims to amend the Communications Act 2003, allowing for provision to be made in the new BBC charter and framework agreement so that Ofcom can regulate all the BBC’s activity, in its new role as an external regulator. I ask the Government and the Minister: are explicit safeguards in place to bar Ofcom from interfering with the BBC’s editorial independence? Are explicit safeguards in place against a watering down of BBC public service commitments, for example, to children’s programming? In the past, Ofcom has allowed other UK broadcasters to water down their public service remits, so will the Minister assure me that the clause will guard against the BBC doing this in future? I would appreciate it if he responded to that in his wind-up.
Clause 76 would insert a new section into the 2003 Act, transferring powers in respect of over-75 licence fee payers to the BBC. Following consultation, the BBC will independently determine the concession, with the power to make changes to it, including by changing the eligibility criteria, the level of the concession and the qualifying age. I invite the Government to reconsider the impact that transferring the cost of the over-75 licence fees will have on BBC funding, and, therefore, the threats to future programme content. Representations have been made to me by the NUJ, which fears that this measure will result in a net 20% cut in licence fee funding. It has suggested that over five years the cut could be up to £1.3 billion.

Such a cut could not only have an impact on the original content of drama productions and documentaries, but could threaten local radio and unique radio stations such as the BBC Asian Network, BBC Radio 1Xtra and BBC Radio 6 Music. Those of us in this House in the last Parliament when the BBC proposed cuts to local radio stations will know that our mailbags were bursting like never before. The BBC was forced to back down on that, so I say to Ministers: let us not put the BBC in a situation where as a result of our not thinking through the long-term consequences of transferring the licence fee for over-75s the BBC in future years has to cut services such as local radio or original drama, because there will be a political price to pay. By transferring the cost of the licence fee, we will not have done a really clever thing by taking the political consequences away from government; there will be political consequences, but they will come further down the line. I would like assurances from Ministers that this £1.3 billion cost suggested by the NUJ is indeed not a real number, and that the arithmetic and the work on this has indeed been done.

I note that the BBC management have accepted these changes, but that does not allay my concerns. I hope that the Minister does not fall back on the default position of saying, “It has been agreed by the BBC management.” It may have been agreed by them, but my constituents pay the licence fee, I represent them and I want to hear reassurances that an agreement between government and the BBC management does not compromise the quality of broadcasting in years to come. If I can get those assurances from the Minister, he will be back at the top of my Christmas card list.

Let me move on to discuss clause 77. The timing in this Chamber is not something that always works well, but today the hon. Member for North Ayrshire and Arran (Patricia Gibson) introduced a ten-minute rule Bill. My goodness what an excellent Bill that was, but today the hon. Member for North Ayrshire and Arran put before this House today, because she was talking about fining the directors and holding them to account.

I am proud to represent Fylde in this Parliament, but Fylde, like many other constituencies, is made up of very many vulnerable people. I am also proud to support this Government. I will be proud to support this Bill, but I will be even prouder if my right hon. Friend the Member for W antage (Mr V aizey) and started the flames burning on the effigies of my right hon. Friends of the Secretary of State ensures that, in Committee, we do something to tighten regulations so that we can take on the rogues and shysters and make this her first truly remarkable piece of legislation that transforms the lives of many vulnerable people throughout this country.

Let me move on to discuss clause 77. The timing in this Chamber is not something that always works well, but today the hon. Member for North Ayrshire and Arran (Patricia Gibson) introduced a ten-minute rule Bill. My goodness what an excellent Bill that was, because it sought to address the issue of nuisance calls. The proposals in clause 77 are welcome, as they improve the current legislation, but they do not go far enough. A Library briefing document says:

“A new section would be inserted into the Act, placing the Information Commissioner under a duty to publish and keep under review a direct marketing code of practice. In the Government’s view, this would make it easier for the Information Commissioner to take enforcement action against those organisations in breach.”

That was written in the assumption that we are dealing with honourable people, but we are not. The companies that overwhelmingly engage in direct marketing are rogues and shysters. For example, I have a constituent who is in the early stages of dementia. She receives calls almost daily. When she picks up the phone, she hears a message that goes something like this: “Something wrong with your boiler?” When my constituent tries to gather information so that she can deal with the matter, she discovers that the person making the phone call is withholding their number in breach of current guidelines. The caller will not give out the name of the company and will not identify who they are calling on behalf of, and, guess what, they do not have a website. When a person tries to go online to lodge an official complaint, they are asked about the company’s website, the name of the company and its telephone number.

I say to Ministers and officials that we are basing a law on the hope that we are dealing with honourable people. We are dealing not with honourable people, but with the lowest of the low. They are people who are prepared to break the law as it currently stands and to prey on the vulnerable in their tens and hundreds of thousands. They are people who are making an absolute mockery of this place. I say to the Government that if they seriously want to do something about tightening up nuisance calls to the most vulnerable people in our constituencies, now is their chance. They should listen to what the hon. Member for North Ayrshire and Arran put before this House today, because she was talking about fining the directors and holding them to account.

It is about questioning the integrity and ability of those directors to be performing such responsible duties as the law currently now permits them.

The law as it currently stands permits fines on companies—but only if we can track down those companies. As the hon. Lady pointed out, these companies—these shysters—will collapse the company, so the fine is never paid. The next day, they will pop up again with a new identity, preying once again on the vulnerable people we were sent here to represent.

I am proud to represent Fylde in this Parliament, but Fylde, like many other constituencies, is made up of very many vulnerable people. I am also proud to support this Government. I will be proud to support this Bill, but I will be even prouder if my right hon. Friend the Member for W antage (Mr V aizey) and started the flames burning on the effigies of my right hon. Friends of the Secretary of State ensures that, in Committee, we do something to tighten regulations so that we can take on the rogues and shysters and make this her first truly remarkable piece of legislation that transforms the lives of many vulnerable people throughout this country.

5.43 pm

Kit Malthouse (North West Hampshire) (Con): It is a great pleasure to follow the speech of my hon. Friend the Member for Fylde (Mark Menzies), and a joy to rise and welcome this Bill. I wish to raise four points. The first is to welcome the universal service obligation. My constituents speak of little else in the bosky lanes of North West Hampshire these days. They have doused the flames burning on the effigies of my right hon. Friend the Member for W antage (Mr V aizey) and started to hoist portraits of my right hon. Friend the Member for West Suffolk (Matt Hancock) alongside those of the Queen in the village hall in the hope that they may finally be connected to the real world.

All of this is remarkably good news, until it is not, which is a little bit like my own internet service where I am offered a particular rate until it is not that rate.
That happens to me most of the time, particularly when the kids all get home from school. Will the Minister clarify what 10 megabits per second actually means? Is it a minimum? Is it permanently 10? Will 10 drop to two when everybody gets home and starts playing their games or downloading pornography? It will be interesting for people to know those things. The critical figure for areas such as mine will be the capped cost to BT or to the other providers of putting a service into our homes. If that is too low, there might as well be no universal service obligation; the farm drives and tracks of North West Hampshire will not be troubled by fibre or copper and so on, because the cost cap is too low. I gather that we will not get that figure until the end of the year, and my constituency will have to wait with bated breath. Until then, the promise is nothing more than that. Clarification from the Minister of what is intended would be fantastic.

Secondly, the Minister may have to enter into a tussle with the Housing Minister on the Neighbourhood Planning Bill as to which Bill will contain a provision making it compulsory for broadband to be fitted to all new housing. It is fairly obvious from the contributions of my hon. Friends and other Members this afternoon that there is a strong swell of opinion in the House that that should happen, and that developers will have to swallow it up. Given the assistance that they will be getting from the Government in expanding their businesses across the United Kingdom in the next few years, the least developers can do is fit this now essential utility to the houses that they build. I would recommend that the Minister speak to the Housing Minister, because someone somewhere will table an amendment, and it will get huge support in the House.

Thirdly, I alert the Minister to an amendment that I intend to table on Report. The Whips will not put me on Bill Committees, but I will table an amendment on Report, if it does not emerge beforehand, on the subject of business rates. It is a technical point, but it impacts heavily on competition in the sector. I know the Government are keen to promote competition. At the moment, BT has a fairly good deal from the valuation office on that network. Business rates are chargeable on a fibre broadband network. BT pays a lump sum, which reduces as it loses market share. If it expands its network, it pays no more—just that lump sum.

However, a new entrant to the market, putting in fibre broadband, will be required to pay business rates on that network. Paradoxically, that rate bill will be higher than the charges that BT would levy on it for renting the line from BT, thereby entrenching the BT monopoly. This differential treatment under the non-domestic rating system cannot be right. I will be tabling an amendment requiring the valuation office to produce a report annually on the impact of the rating system on competition in the sector, because we are asking people to compete to put fibre into the home, particularly across rural networks, and they are doing so with this huge hidden bill, which does not accrue to the major competitor—BT.

Finally, I want to address the issue of pornography and filters on the internet. That is, as many Members have said this afternoon, an enormous issue not only for parents but for society. It is having a massive impact on the way in which boys and girls see one another and the way in which they deal with relationships, and sex.

The Government have tried, over the past few years, in coalition and now, to take steps towards dealing with that, but sadly, I am afraid, to little effect. Although the Bill makes a brave attempt, I must tell the Minister that I do not see it having a significant impact on the availability of pornography on the internet, for some of the reasons that other Members have elucidated.

Most of this stuff comes from overseas. Much of it comes from the United States, where it is protected under constitutional rights, apparently. Much of it is free—it requires no online transaction via credit card or otherwise. It will be easily available to anybody who wants to get it who does not have a parent who puts a filter on.

I would very much like to see the Government shift their target away from the providers of websites to the people who could do something to filter the content—the internet service providers. We know the ISPs can identify these sites because they do so already for parental filters. If someone puts a parental filter on, they will identify the site and block it. There is no technical reason why the ISPs could not also identify it and put an age filter on, that would appear every time someone tried to access it, that required a credit card number or required the usual age verification applied by gambling sites. The ISP could easily put such measures in place.

If the Minister will forgive me, I would point out that the Government are missing the target by going for the sites, which move around the world, between jurisdictions and between countries, whereas the ISPs, who are here and who we could get hold of, could technically achieve what we want for us. This is a very pressing issue indeed and we have talked about it for the 18 months that I have been in the House, and for the previous 10 years when I was watching from outside. The time has come for the Government to do something really bold about this—to move forward in a way that no other country has, by requiring age verification for pornography, at the level of the ISP. Those organisations are the newsagents who stop the magazine. They are the television company that is broadcasting the programme. They are not free of obligation in this menace to our young people and they should start to play their part. I call upon the Government to oblige them to do so.

5.50 pm

Nigel Huddleston (Mid Worcestershire) (Con): It is an honour to follow my hon. Friend the Member for North West Hampshire (Kit Malthouse) who, as always, brings passion and insight to the debate—a difficult act to follow, but I will try.

Technological advances, including the internet, have transformed the way we communicate and the way we are informed, educated and entertained. This Bill will help bring legislation, regulation, consumer rights and protections up to date, but this is an evolution. We are only at the very beginning of the digital journey and I suspect that during my time in this place, we will see many further such Bills. I strongly support the Bill, particularly as it is a very consumer-friendly Bill, with many measures to protect and strengthen the rights of our constituents.

Like many colleagues, I have been approached by constituents and other stakeholders who have expressed concerns about elements of the Bill and have suggested some potential changes. I am sure the Minister and the
Department have likewise been approached, and I am confident that plenty of time will be set aside during the Committee stage to scrutinise the details and for certain amendments to be made to avoid some of the unintended consequences that various players have highlighted and that we have heard about today.

The previous Secretary of State, my right hon. Friend the Member for Maldon (Mr Whittingdale), has commented that this Bill “will put in place the foundations for the digital future” and “make the UK a world leader in digital”.

I respectfully suggest that we are already a world leader in the digital space, and the focus should therefore be on sustaining our leadership position, which we cannot and should not take for granted. So far digital is clearly a UK success story. The UK is one of the most sophisticated and advanced digital economies on the planet. At 12.4% of GDP the UK has by far the largest digital economy in the G20—not just slightly larger than that of any other nation in the G20, but miles ahead. The next largest is South Korea at 8%. Our digital economy as a percentage of GDP is three times that of Germany and four times that of France.

Average spending online in the UK per head is double the European average, and more than 1 million jobs are sustained by the digital sector in the UK. The sector is growing at about twice the rate of average GDP growth. The strength of our digital sector is something we should be proud about it indeed. Yes, we have adopted and leveraged the applications and service offers of the global giants such as Google, Microsoft and Facebook, but we have many home-grown success stories, too—ARM Holdings and Micro Focus being particularly newsworthy recently.

The speed and enthusiasm with which the British public adopt new technologies and are willing to experiment with new ways of doing things is key to our digital success as a nation. The sophistication of our much maligned financial services sector has also played a key role in our digital success. We are willing to transact online only because we are confident that our transactions are safe and secure and the risk of fraud is low. Other nations with far less sophisticated and secure financial services sectors have seen much lower consumer willingness to transact over the internet and share financial information online. That has held back their digital development. This Bill will help provide the solid foundations for future digital growth, with its emphasis on enabling digital infrastructure, consumer rights, protecting intellectual property and ambitious goals for Government digital services. Although much has been achieved, there is still much more to do.

We have made huge progress in broadband, but if my mailbag is similar to that of other hon. Members—and I suspect it is—residents and businesses contact us all the time to express dissatisfaction with their current level of service. Problems often relate, though not exclusively, to BT and Openreach, which has a lot to do to improve service. Improvements also need to be made in mobile coverage, in rural areas in particular. The Bill identifies improvements both in the regulatory framework and in making switching service providers much easier, which I applaud. It will encourage price competition and enhance customer service levels.

I know that my constituents will welcome the improved level of information that will come as part of the new power for Ofcom to order communications providers to release data to help them make more informed choices. Of particular help will be the ability to obtain address-level data on broadband speeds, addressing the issue of advertised estimated broadband speeds only at postcode level, where actual speed can vary significantly from property to property, depending on how far the property is from a cabinet.

Overall, the Bill places significantly more power in the hands of Ofcom—a highly respected regulator. It is worth noting that Ofcom already has oversight of many aspects of the UK’s fast-changing broadcasting landscape. If the new governance and regulatory structure proposed for the BBC is adopted, as we suspect, Ofcom will take on additional responsibilities relating to the BBC. I would appreciate the Minister’s comments on how he envisions Ofcom’s new powers over the BBC being exercised in practical terms, and particularly as they relate to online offerings, the regions, BBC production and transparency.

The UK broadcasting industry, and particularly the public sector broadcasting industry, has been extremely innovative in developing online TV propositions, with Channel 4’s Catch Up service and the BBC’s iPlayer leading the way. The future of Channel 4 has been the subject of much debate recently, and the Minister may wish to comment in the context of the digital evolution of the UK economy on possible future changes in the ownership and governance of Channel 4.

Let me move on briefly to the issue of protecting children from online pornography. I welcome the Government’s desire to restrict access to harmful sexualised content that could change children’s attitudes towards sex and relationships, as has been mentioned many times today. There have already been welcome steps in this regard, not least from internet providers themselves in providing family-friendly filters free to customers to filter out unsuitable content. Most of us would agree that providers of pornography should have age verification controls in place to prevent children from being exposed to it. I therefore welcome the proposals in the Bill for age verification and particularly for the regulator.

However, the regulation must have teeth to deal with those content providers that do not have controls in place, even if they are based overseas. The civil sanctions the Bill introduces are an important step, but I understand that the Bill does not provide for the actual blocking of non-compliant websites, and I would ask the Minister to continue working with all stakeholders in the sector to find a way to block sites and therefore clearly meet our manifesto commitment to stop children’s exposure to sexualised content online.

In conclusion, I have touched on only a few aspects of a very wide-ranging Bill with some very welcome components. As I said, the UK already has a digital lead, and it is a leading digital economy in the world. The changes the Bill will introduce will help the UK to retain a commanding digital position for many, many years to come.
5.57 pm

Neil Carmichael (Stroud) (Con): It is a great pleasure to follow my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), because he made the fundamental point about the size of the digital economy in the United Kingdom and its importance to so many of our constituencies, including my own.

One of the things I want to highlight first is that we in Stroud have a strong and growing e-learning centre, effectively, with a large number of small and medium-sized firms contributing to its success. Of course, e-learning depends on a large extent on effective internet coverage and good access. My constituency has five valleys and a substantial vale, and not all of those places are easily connected. That has certainly proved to be the case in the final move towards universal coverage. I therefore make a plea to the Minister to recognise not only the strength of e-learning in my constituency but the power of the digital economy in general, and I urge him to think of ways, in addition to those he has already come up with, to make sure that clusters of small businesses in areas that need additional contact are indeed supported.

The Minister’s predecessor, my right hon. Friend the Member for Wantage (Mr Vaizey), talked about the importance of infrastructure and about the similarity of the infrastructure for the internet to other infrastructures, and I would pick up on the issue of road infrastructure to illustrate that point. An impressive motorway or a road leading almost to somewhere, but not quite getting there, is useless. That is part of the problem with the internet coverage in areas that are, I admit, difficult to deal with, but that do need special attention because they are also often the areas where growth will come if we get the right kind of connectivity. There is a cluster of businesses in rural areas that really do need attention.

I can see that my point is getting a lot of approval from Members on both sides of the House. Obviously Scotland is—

Kevin Foster (Torbay) (Con): My hon. Friend is making an excellent speech. Does he agree that this is also about the inability of certain services to switch to being online while some people are excluded from having these fast internet connections?

Neil Carmichael: I thank my hon. Friend for that intervention. He raises an important point. My hon. Friend the Member for North West Hampshire (Kit Malthouse) raised the issue of what people get, in that sometimes they do not get what they expect to get and sometimes they do get it and then it becomes less later. That is the sort of problem that we have. Consumers are concerned about it, and rightly so. It is also clearly a problem for small businesses, as I said. These matters need to be dealt with.

I want to endorse something that my hon. Friend the Member for Folkestone and Hythe (Damian Collins) talked about: copyright and protection of intellectual property. He made a strong point. The Culture, Media and Sport Committee will benefit from his expertise in this matter. He rightly pointed out that copyright on the internet is sometimes vulnerable and we need to make sure that measures are strengthened in that respect.

I now turn to something completely different, which is not in the Bill although I think it should be: subtitles. This connects with the interests of, for example, Action On Hearing Loss. The Bill offers a great opportunity to improve access to information for people with hearing difficulties by changing the structure of services. Would the Government consider using the Bill to improve the provision of subtitles on on-demand services, given the drastic improvement of their provision on linear television following legislation that has since become outdated? We need to look at this area. I am half deaf myself. My left ear does not work at all, but I can still hear. Nevertheless, that gives me a huge amount of sympathy and understanding for those who cannot hear at all. There could be an opportunity to help them, and the Government should be looking at it.

It is certainly right that young children should be prevented from looking at pornography. It is also absolutely right that we should be thinking in terms of the measures that the Government have introduced. However, some of the operators in this field, and some of the social media operators, operate almost like fiefdoms, and we have to really get some control over them. If an outfit is told to switch something off but does not do so, I am not entirely sure what the Government are going to do about it. Will they say, “We are going to fine you now,” and then hope for the best? The problem is that a number of the types of structures that we want to restrict, or even prevent from operating altogether, are international, based in countries where we do not have any jurisdiction, and sometimes—certainly in the case of Russia—with which we have a very difficult relationship. The Government need to think carefully about how they are going to put some real strength behind these measures, which are quite sensible in terms of aspiration but have to be delivered in a way that works.

6.4 pm

Huw Merriman (Bexhill and Battle) (Con): Madam Deputy Speaker, you are the fourth occupant of the Chair since I sat in the Chamber four hours ago to listen to this fine debate. I will endeavour to get your title correct, but I keep having to cross out my notes. The situation resembles that involving Labour Front Benchers over the preceding months.

Despite great work by East Sussex County Council, too many parishes in my constituency are in the final 5% that do not have a connection to fast broadband. With an ageing constituent profile, it is essential that we balance our local economy by attracting more people to work and live in our locality. With a daily commute that, when Southern trains are running, perhaps takes too long for many, we have the perfect opportunity to deliver the connectivity that will attract those who are looking to work in or run businesses form the beautiful east Sussex area of outstanding natural beauty. Who would not want to do that?

I therefore welcome the introduction of a universal service obligation, which will give the final 5% fast broadband. For many of my rural constituents, that will be akin to building a new road or railway line. It is vital for our whole economy that we do not leave those residents behind.

With that in mind, I want to repeat a request I made to the previous Minister covering this brief. As I understand it, the Government expect the USO to work akin to the telephone USO, pursuant to which BT covers the first £3,400 and the consumer pays costs above that threshold. With Openreach dominating the market, I am concerned
that it will determine the cost to be greater than the threshold and that rural residents could therefore be priced out. Would it be possible for the market to be opened up, so that any provider could tender and that, if it could deliver below the threshold while Openreach proposed to deliver above it, Openreach would then have to charge at the lower rate or, preferably, outsource the work to the cheaper provider? That would not only deliver the USO to more consumers, with no extra cost, but open up a market that I contend is too heavily dominated by BT Openreach.

To that same end, I am conscious that assessing broadband coverage can be determined only on a property-by-property basis at present. Would it be possible for the Government to ensure that that information is instead published as open data, so that competitors to Openreach can better fill the void?

On a separate, stand-alone note, I understand that a breach of the data-sharing rules, as prescribed by clause 58, may result in criminal sanctions. Given the proportionality involved, may I suggest that that be reclassified as a civil matter?

I am the new chairman of the all-party parliamentary group on the BBC, and two measures will have an impact on the BBC. First, clause 76 will transfer the responsibility for the policy of free TV licences for over-75s to the BBC. The cost of the policy will be met by the BBC as the Department of Work and Pensions reimbursement is phased out over time. That will ultimately lead to the BBC being required to find an extra £750 million a year to break even.

Those who bemoan the loss of “The Great British Bake Off” to Channel 4 need to understand the environment in which the BBC now operates. Given the requirement under the charter renewal to outsource more programme making, such situations are only going to recur. I regret that the BBC has to fund a policy that was devised by the Labour party as an election giveaway and from which it is now deemed politically infeasible to withdraw. It should not be for a public broadcaster to deliver welfare, and if the provision is not welfare, we should ask why it exists in these times of austerity. Although I do not welcome the transfer, I ultimately accept that we are where we are, so I welcome clause 76, which will confer policy control on the BBC, so that it can assess the policy’s future.

Clause 75 will transfer the BBC’s regulatory oversight to Ofcom. I welcome that change as a means of reforming the blurred lines of regulation. I also welcome the related introduction, via the charter review, of a new unitary BBC board, the majority of whose members will be appointed by the BBC itself. When it does so, it would be welcome if the BBC considered appointing a staff member to the board. In her speech on the steps of 10 Downing Street, the Prime Minister called for more worker representation in the boardroom, and it would be good to see the BBC leading that charge.

May I suggest that Ministers consider adding a new clause to this excellent Bill to strengthen our free-to-air listed sporting events? These sporting celebrations allow our nation to come together and be inspired by the finest athletes, sportsmen and sportswomen. To put that in context, 13 million people watched the Wimbledon final, but fewer than 1 million people watched the Open golf and our cricketers beating Pakistan via pay TV. More than 45 million of our nation’s people watched the Rio Olympics.

When considering the health and wellbeing benefits that such inspiration can bring, I am concerned that the current rules protecting free-to-air may need an update to maintain the current regime. The current rules require the content to be free and to be “received” by 95% of the population. I understand that the Government will continue to support the current listed events policy, but there is a danger that, with an increasing number of household media platforms, we will soon find that less than 95% of the population receive the content via their television set. I hope that the Minister will agree to use the Bill as a means to review the legislation to ensure that the free-to-air genesis continues. It would merely require the addition of the words “or capable of being received”.

To conclude, I warmly welcome the Bill and the support that the Government are giving to the digital economy, a sector that accounts for 10% of our businesses and 5% of our workforce. Those innovators are a huge growth opportunity for the whole UK, and I look forward to this Bill passing into law.
hon. Friends the Members for Makerfield (Yvonne Fovargue) and for Sheffield, Brightside and Hillsborough (Gill Furniss). I was particularly taken with the last speech by the hon. Member for Bexhill and Battle, and I strongly agreed with what he said about listed sporting events.

Some 56 years ago, I studied electronics as part of my A-level physics, when valves were just being replaced by germanium diodes in the early, almost prehistoric, years of the digital revolution. I made a great leap forward by soldering a germanium diode into my crystal set, which made my late-night listening to jazz programmes wonderfully more vivid. I was grateful for that. It was the beginning of the miniaturisation of electronics, which led on to the digital economy. The leap from the valve to the germanium diode was the beginning of it all.

Some 20 years later—some 35 years ago—I was a research officer for the trade union that was then called the National and Local Government Officers Association. I wrote two pamphlets, one of which was on the future of new technology. I only half believed it at the time, but it came to pass almost before the ink was dry. In fact, I thought it was wholly unrealistic that we would one day be able to go to the supermarket and have our bank accounts debited directly. I just thought that was highly improbable, but it actually happened very quickly.

The other pamphlet was about workers’ rights and protecting workers in the new digital economy. The Bill contains much that we support, but we believe it requires substantial amendment, which we shall seek to achieve in Committee. As it stands, the Bill does nothing to protect workers’ rights in relation to new digital labour relations, but new rights and protections are vital. Thirty years on from my pamphlet—I may dust off my now ancient pamphlet and bring it along to the Committee—problems for workers have intensified and must be addressed.

Other concerns about the Bill include the absence of any legislative framework for data sharing and the lack of provision for the protection of citizens’ identities through digital communications. We welcome the proposed universal service obligation, but lament its late appearance. The Bill contains much that we support, but we believe it requires substantial amendment, which we shall seek to achieve in Committee. As it stands, the Bill does nothing to protect workers’ rights in relation to new digital labour relations, but new rights and protections are vital. Thirty years on from my pamphlet—I may dust off my now ancient pamphlet and bring it along to the Committee—problems for workers have intensified and must be addressed.

Other concerns about the Bill include the absence of any legislative framework for data sharing and the lack of provision for the protection of citizens’ identities through digital communications. We welcome the proposed universal service obligation, but lament its late appearance. The protection of consumers from nuisance calls and the provision for marketeers to be prosecuted are again welcome, if late in the day. Labour also supports the introduction of further measures to protect children from pornography, but enforcement must be strengthened to make it effective. Protection against online abuse, which is frequently directed at women, also needs to be much strengthened.

The area in which we fundamentally disagree with and fundamentally oppose the Government is their decision to transfer the funding of television licences for the over-75s to the BBC. I should declare an interest in this, having just reached that great age. I have not yet claimed my free television licence, but I may do so in the near future. Free television licences, introduced by Labour, are a social benefit and should continue to be funded by the Exchequer, not squeezed out of the jobs and livelihoods of BBC employees, nor paid for indirectly by other licence fee payers, and they should certainly not be paid for by elderly pensioners. The idea that policy and paying a benefit should be decided by an independent public service broadcaster and funded by viewers and listeners, not by the Government, is complete nonsense and utterly unacceptable. We shall pursue this matter in Committee.

As we have said, we support much in the Bill, but there are substantial omissions and errors that we want to correct in Committee and possibly on Report. We will not oppose the Bill this evening—we will abstain—but that does not necessarily mean that we accept that the Bill is all positive, because there are things that desperately need to be corrected. I thank hon. Members for their contributions. I have listened to them with great interest, and I hope that we can have equally important and useful debates in Committee.

6.17 pm

The Minister for Digital and Culture (Matt Hancock): They say that success has many fathers, and I hope that is true of the Bill because this debate has been a veritable custody battle. My right hon. Friend the Member for Maldon (Mr Whittingdale), whose name appears first on the back of the Bill, gave a second opening speech to explain where much of it has come from. My right hon. Friend the Member for Didcot—[HOSP MEMBERS “Wantage.”]—made a brilliant speech. I think of my right hon. Friend the Member for Wantage (Mr Vaizey) as the Member for Didcot because of that great big power station, which he so resembles; sadly, it has now fallen down. He developed much of the detail of the Bill and deserves enormous credit for his work.

Between us, the Parliamentary Secretary, Cabinet Office, who, with me, will take the data measures through the Committee, my right hon. Friend the Secretary of State, who we could say is the mother of the Bill, and I—I am honoured and privileged to be the Bill Minister—all claim credit for parts of the Bill. It has been a team effort, and a huge amount of work over several years has gone into bringing the Bill to this point. I want to thank all the Ministers and the many officials and stakeholders who have been involved in its development.

This has been an excellent debate, with insightful and thought-provoking contributions from all sides of the House. We have heard about the increasing importance of digital technology and infrastructure to our constituents and the economy. I am glad that there seems to be a consensus about the importance of the subject. We have heard some impassioned pleas to ensure that we protect the vulnerable, and the Bill takes steps to do so.

Technology is transforming the world in which we live—our homes, work and daily lives—and the Bill seeks to make the benefits of those transformations as big as possible while mitigating some of the inevitable costs. We need to ensure that our laws and infrastructure keep pace with this great change. We must tackle the problems the change brings and seize on the opportunities.

We have the best superfast broadband coverage and highest take-up of all major European nations, but we want us to have more. Although nine out of every 10 homes and businesses can now access superfast speeds, and we are on track to hit the target of 95% coverage by 2017, we want high-speed broadband for all. The Bill takes the next step, with the universal service obligation. In the same way, as we deliver through infrastructure the internet that enriches our lives, we will also take steps to protect children from online pornography, addressing harms highlighted by many in the Chamber.
Likewise, the Government Digital Service has made the UK Government one of the first digital-by-default states, in a model replicated the world over, but we can do more. The Bill will strengthen how we use Government data to deliver better public services.

Mr Vaizey: I read press reports about the Government Digital Service being broken up and distributed around Departments. I always thought that the service was a fantastic innovation. It behaved like a start-up, challenging and pushing the envelope. During his remarks will the Minister give a helpful update to the House on the position of the Government Digital Service?

Matt Hancock: I reassure my right hon. Friend that the Government Digital Service goes from strength to strength. It secured significant extra funding in the spending review and is delivering, as it has done and will continue to in future.

Graham Jones: It is a credit to the Government that we are one of the Digital 5, but is it not also true that we are a long way behind Estonia, which is probably at the forefront in digital technology?

Matt Hancock: I am grateful for the hon. Gentleman’s supportive comment about how the Government have done on digitisation. We have made a huge amount of progress and are one of the world leaders. Some states find this process easier, partly because of national culture. Estonia bases its Government digital services on a universal identity system that we disagree with here; it has a much more willing approach to having an ID card system than the UK does. Also, by its nature our country is more complicated and much bigger, so things are more complicated here, but we can learn a lot from the brilliant work Estonia is doing. I have personally worked with the Estonian Government to take the lessons and apply them in our own context.

There were three areas in the debate that really got the House going. The first was age verification. Incredibly strong speeches were made on that by the right hon. Member for Slough (Fiona Mactaggart), the hon. Members for Rotherham (Sarah Champion) and for Bristol West (Thangam Debbonaire), my right hon. Friend the Member for Basingstoke (Mrs Miller), my hon. Friends the Members for Devizes (Claire Perry) and for Eastbourne (Caroline Ansell), and others. Age verification is an incredibly important step forward. Legislation is in place to deal with the online abuse that many Members also raised—the cyber-stalking and harassment—and, as Members of Parliament, we all understand the challenges that we face on that. We remain committed to improving online safety; it is a challenging area, but we will continue to work to push that forward. The views of the House will be key to that process.

Kit Malthouse: Does the Minister accept that the impact of the measures will be limited given that, as a number of Members have pointed out, the vast bulk of the material we are trying to protect children from comes from overseas? The Government’s jurisdiction will therefore be limited and the impact will therefore be limited.

Matt Hancock: No, I do not. We have tried to devise them in such a way that they have an impact on both overseas-hosted sites—they must, because of the international nature of the internet—and free sites.

Many Members asked questions about blocking and user-generated content. I will take those away and no doubt return to them in Committee. I am very clear that the Bill takes us forward. We need to listen to the views of the House to ensure that we get the details right.

The second area in which there was a huge amount of interest was broadband. I am incredibly excited that 91% of premises now have access to superfast broadband. The universal service obligation in the Bill is a huge step forward, bringing high-speed broadband to all.

A few questions were raised on the detail, not least the 10 megabits assessment. As I said in an intervention, the Bill puts in place the power to have secondary regulations to ensure that if we need to increase the minimum speed we can do that. That is a very important step forward. Many Members asked about the exact design of the USO, in particular how we will make sure the speed is appropriate. Ofcom will consult on the precise design of the USO in the autumn, so that we can make sure we get the details right.

Tom Elliott (Fermanagh and South Tyrone) (UUP): I appreciate the more-than-90% high-speed broadband availability that the Minister talks about, but what comfort is there for people in my constituency, where less than 70% of the public are able to access high-speed broadband?

Matt Hancock: The comfort I can give the hon. Gentleman is that if he votes for the Bill we will have a universal service obligation to get high-speed broadband up to 100%.

Jim Shannon: The Department and the UK Government have allocated specific funds to the Northern Ireland Assembly to enable greater availability of broadband. Do the Government intend to do that again to enable the remaining small percentage—I think it is about 13% across Northern Ireland—to access broadband?

Matt Hancock: There is a fund to ensure that we get fast broadband out to as many people as possible. There is something that every single Member can do to make sure that that fund goes as far as possible. The contracts are structured so that the more people take up broadband, the more the local authority or delivery partner gets back in a clawback. They then spend that money on reaching more premises and more households. I urge everybody to run a broadband take-up campaign in their constituencies, because the more people who sign up for broadband in a Government-supported Broadband Delivery UK area—about 20% of households—the more money comes back to the programme and the more houses can be reached. The clawback means that all of us can have a direct impact on how much broadband is delivered in our local areas.

Kit Malthouse: I just want to be clear, because many of my constituents will be listening carefully, on what 10 megabits per second actually means. The Minister, in an intervention, used the word “minimum” when he said that the universal service obligation would be 10 megabits
per second. Is he saying that it is the Government’s intention that some broadband speeds should never fall below 10 megabits per second, no matter what their neighbours, or anybody else who is sharing capacity, are doing?

**Matt Hancock:** My hon. Friend raises an important point. I see 10 megabits as the absolute minimum, but the definition of what has been advertised in the past for high-speed broadband is a really important issue. This is not an area of statutory regulation, because we do not have statutory regulation for advertising. The Advertising Standards Authority makes the rules. It is consulting on changing the so-called “up to” definitions in advertising to make sure that there is a tighter definition so that people get what is advertised. I think it is fair to say that, should that change go through—it is a non-statutory area—it would be widely supported across the House.

Fibre to new homes was raised by many Members, so let me give this answer. In January, it will become law that superfast broadband needs to be supplied to new homes. There is a commitment to provide fibre to sites with more than 100 new premises. This is a big step forward. Lots of people asked questions about it; secondary regulations went through; the reason it is not in the Bill is that we think we have made the progress needed to ensure that we deliver in this space.

Likewise, many people asked about agreements on landowners’ rights under the electronic communications code, which I agree is an incredibly important step forward. I pay particular tribute to my right hon. Friend the Member for Maldon and for Wantage for driving this through. The new code will be a baseline that removes a lot of the room for dispute. It will apply only to new contracts, but many if not most contracts and agreements for siting masts will remain on commercial terms. It will not be required to use the new code; the new code will be the baseline from which the negotiations can take place.

Let me touch on the Opposition Front-Bench contributions. I felt that the two Labour contributions were well informed and the agreement on the vision was very positive. I would like to react to a few points. Sadly, I thought there was a rather shrill position on data sharing, I shall hold him to that in the responses that he will see coming to the policies that he is putting forward to extend data sharing in ways that the public do not yet understand and will not like when they do fully understand the way in which their personal data will be shared.

**Matt Hancock:** The data-sharing elements of the Bill are designed to improve public services, to make sure that we can tackle fraud and to have better statistics in this country. I think the public will broadly support the aim, for instance, to better target support for those who have difficulty paying for their energy costs. I look forward to taking this debate on further.

Finally, let me touch a little more on the support for victims of online abuse and the question of the link to it.

**Chris Bryant:** Several Members referred to when the draft charter for the BBC will be published. I hope that this Minister will be able to say, as former Ministers were suggesting from sedentary positions—and are now with grim faces—when this might be. Will it be tomorrow or the day after? Will the Minister also guarantee that there will be a debate here and in the House of Lords before the charter is implemented?

**Matt Hancock:** The hon. Gentleman tempts me on the BBC charter. I can tell him that it will be published shortly, and that there will be a debate in both Houses to take note of it, which is the normal process.

**Mr Vaizey:** Talking of publishing documents, I wonder whether, given the brilliance of the Bill and the forthcoming charter, my right hon. Friend could also illuminate the House on whether he plans to publish a fantastic digital strategy showing how the United Kingdom can thrive by investing in its hugely successful technology industries.

**Matt Hancock:** The Government as a whole are an enthusiast for industrial strategy, and digital must underpin the industrial strategy. As the digital Minister, I am a great enthusiast for digital strategy, and I pay tribute to the work that my predecessor did and the service that he gave. He did an enormous amount of work in both the cultural and the digital spheres to ensure that the United Kingdom was at the forefront of digital nations; indeed, I would say that all his work contributed to a strategy. He said that he wanted, in future, to use Broadband Delivery UK as a taskforce to go around the country improving the delivery of broadband. It was almost as though he was looking for a job.

**Mr Vaizey:** While we are on the subject of how hard I worked as a Minister, let me point out that I worked incredibly hard on radio. I wonder whether my right hon. Friend could illuminate me on when he will introduce the proposals for the deregulation of radio on which I worked so hard.

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**Chi Onwurah:** I shall try not to match the number of interruptions that the Minister made during my opening speech. Given that he referenced me directly, however, let me say that the Communications Act 2003 revised the electronic communications code. I know because I worked to put it beside me at Ofcom. I shall try not to be shrill in pointing out to him that if he is seriously asserting that he has fully consulted the public on data sharing, I shall hold him to that in the responses that he will see coming to the policies that he is putting forward to extend data sharing in ways that the public do not yet understand and will not like when they do fully understand the way in which their personal data will be shared.

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Matt Hancock: I know that my right hon. Friend and the hon. Member for Newcastle upon Tyne Central are good friends and admirers of each other, so I will say likewise that any proposals on radio will come forward shortly.

Overall, the Bill has been well received. It drives Britain forward in the right direction. It gives us an opportunity to secure our digital future, to secure the infrastructure and connectivity that we all know we need, to improve public services through better use of data, and to secure protections for citizens in a digital world. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

DIGITAL ECONOMY BILL (PROGRAMME)
Motion made, and Question put forthwith (Standing Order No. 83A(7)),
That the following provisions shall apply to the Digital Economy Bill:

Committal
1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee
2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 27 October 2016.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading
4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings
7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—(Chris Heaton-Harris.)

Question agreed to.

DIGITAL ECONOMY BILL (WAYS AND MEANS)
Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),
That, for the purposes of any Act resulting from the Digital Economy Bill, it is expedient to authorise:

1. the charging of fees;
2. the imposition of financial penalties; and
3. the payment of sums into the Consolidated Fund.—(Chris Heaton-Harris.)

Question agreed to.

DIGITAL ECONOMY BILL (MONEY)
Queen's recommendation signified.
Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),
That, for the purposes of any Act resulting from the Digital Economy Bill, it is expedient to authorise the payment out of money provided by Parliament of:

1. any expenditure incurred under or by virtue of the Act by a Minister of the Crown, a person holding office under Her Majesty or a government department; and
2. any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(Chris Heaton-Harris.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Natascha Engel): With the leave of the House, I shall take motions 6 to 8 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),
That the draft Neighbourhood Planning (Referendums) (Amendment) Regulations 2016, which were laid before this House on 29 June, be approved.

Question agreed to.

That the draft International Development Association (Seventeenth Replenishment: Additional Payments) Order 2016, which was laid before this House on 29 June, be approved.

Question agreed to.

That the Value Added Tax (Place of Supply of Services: Exceptions Relating to Supplies Made to Relevant Business Person) Order 2016 (S.I., 2016, No. 726), dated 11 July 2016, a copy of which was laid before this House on 11 July, be approved.—(Chris Heaton-Harris.)

Question agreed to.
Faulty Tumble Dryers (Fire Risk)

Motion made, and Question proposed. That this House do now adjourn.—(Chris Heaton-Harris.)

6.38 pm

Andy Slaughter (Hammersmith) (Lab): I am grateful for the opportunity to talk about a serious issue that affects many millions of people. My own involvement arises from a tragic incident that occurred in my constituency only a few weeks ago. As we have a little more time than usual, I propose to explain briefly what that incident was, to talk about the evidence that emerged from it—which supports the course of action that I shall recommend to the Minister—and to ask the Minister a number of questions about the safety of tumble dryers.

If there is time, I know that one or two of my colleagues who have rather more experience and expertise in this matter might wish to contribute, but I wish to leave enough time for the Minister to respond, not least because I was a little alarmed by her brief opportunity to respond to my question on this subject earlier today.

On the afternoon of 19 August, Debbie Defreitas, a constituent of mine, was in the kitchen of her home on the seventh floor of Shepherds Court, an 18-storey block of flats overlooking Shepherd’s Bush Green. She became aware of a burning smell. Her Indesit tumble dryer was the only device that was switched on, so she unplugged it and pulled it away from the wall. When she opened the door, smoke came out. Debbie rang the fire brigade and retreated on to the landing. When firefighters arrived and entered the flat, the fire had taken hold. Thick smoke filled the building and flames arced upwards along the walls into other properties.

Over 100 families were evacuated, and 26 were found temporary accommodation in hotels that night. There is substantial damage both to individual flats and the block. Nine families, including the Defreitases, are still unable to return home. Twenty fire engines and 120 firefighters fought the blaze, which brought the centre of Shepherd’s Bush to a halt.

I spent some hours at the scene on the evening of 19 August. I cannot praise highly enough the firefighters who risked their lives, and the residents who showed incredible spirit and resilience despite losing their homes and in some cases all their possessions. Council officers and local councillors Sue Fennimore and Adam Connell worked into the early hours to ensure people were fed, comforted and found decent places to stay.

What is most remarkable is that, apart from three minor injuries, no one was hurt in the blaze, though the trauma, especially for those who witnessed the worst of the fire, may well have a longer-term effect. But the circumstances are very similar to those of the Lakanal House fire in Southwark in 2009 in which six people died. That, or worse, could easily have happened in this instance.

We await the publication of the investigations into the Shepherds Court fire, but one thing is already clear: Mrs Defreitas was following to the letter the advice given to her by Whirlpool, Indesit’s owners. Despite a fault affecting over 5 million dryers supplied by the company’s brands, it continues to tell customers

“You may continue to use your tumble dryer whilst waiting for the modification, however, we require that you do not leave your dryer unattended during operation.”

Whirlpool is not the only manufacturer trying to deal with defective dryers and other white goods that pose a fire risk. The London Fire Brigade estimates that there is one fire caused by white goods every day in London alone. The Local Government Association, which represents all fire authorities, says three fires a day are caused in England and Wales just by tumble dryers. Some cause minor damage, some are on the scale of Shepherds Court and some have resulted in deaths and serious injuries.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on bringing this important issue to the House for consideration. The components in the appliances are readily available across the whole of the United Kingdom of Great Britain and Northern Ireland. Does the hon. Gentleman agree that the system of recall at present is not sufficient to ensure safety and, further, that new legislation—I hope the Minister will respond on this—is a matter of public safety and is prioritised as such?

Andy Slaughter: I am grateful to the hon. Gentleman for that intervention and I know he has done a lot of work on this subject over a number of years. I do not know if he was present to hear the Minister’s response to me earlier today, when she said that we have an effective system of product recall. I think the hon. Gentleman would disagree with that, as I do, and I will come on to that later.

The Government are not short of advice. Two years ago the inquest into the death of Santosh Benjamin, caused by a defective Beko fridge-freezer, called for a new system of product recall, as did the independent review of product recall under consumer champion Lynn Faulds Wood, which reported in February this year. The LFB’s “Total Recalls” campaign, the Consumers Association and “Expect it’s safe”—a campaign set up by solicitors Leigh Day, who represent many of the victims of white goods fires—have made similar demands.

I shall come back to what the Minister has said, and I want her to be aware—if she is not already—of the preponderance of opinion on this subject. I have mentioned the London Fire Brigade, but we could equally apply these views to other fire brigades around the country, which are represented by the Local Government Association. The London fire commissioner, Ron Dobson, has said:

“If my kitchen had one of the recalled goods in it, I would unplug it straight away until it has been checked and repaired. The speed with which the fire took hold shows how dangerous a faulty tumble dryer can be. That’s why we are calling for Whirlpool to urgently change their advice to consumers.”

Earlier today, I met representatives of Which?, whose very effective campaign has included the use of mystery shopping. This all shows just how appalling Whirlpool is in using these filibustering tactics.

Alberto Costa (South Leicestershire) (Con): I should like to declare an interest: I am a consumer of the said faulty tumble dryer, having bought one last year. The hon. Gentleman and I have already spoken briefly about this matter, but I should like to further inform him that I wrote to the managing director of Whirlpool UK, Maurizio Pettorino, in April this year. We took a month to respond, and his response was appalling. He did not answer the questions I had put to him. I wrote to him again on 23 May, but he has not responded to
Maurizio Pettorino thought about resigning from his job. Nor has he responded to my repeated telephone calls. A public affairs company called Ketchum is involved in this matter, but it is refusing to respond to my reasonable requests. Like many consumers, I filled out the online Whirlpool form and was told I would have to wait 10 weeks before being given a date. Those 10 weeks have come and gone, but I have not received a date. Does the hon. Gentleman agree that it is time that Maurizio Pettorino thought about resigning from his job?

Andy Slaughter: I will talk about that particular gentleman in a moment. I am grateful to the hon. Gentleman for giving the House his own experience. He illustrates my point that no one is immune to these tactics. This is a studied campaign by Whirlpool to ensure that it delays for weeks, months or even years before it carries out the repairs. It knows that there are millions of machines out there, but it is not prepared to provide the resources to deal with the problem. The hon. Gentleman will probably get a number and be told to ring back in a couple of months, at which time he might be told that he will get an appointment to get his dryer repaired several months after that. He will also be told that, in the meantime, he can continue to use it. That is very dangerous.

Patricia Gibson (North Ayrshire and Arran) (SNP): Does the hon. Gentleman agree that, given that we are talking about public safety, there is a clear responsibility to protect consumers? I have a constituent who has been told she will have to wait at least 16 months, and she is now about halfway through that wait. There is no apparent end in sight, and this is a real evasion of responsibility. We need the Government to provide much more protection for consumers when companies behave so irresponsibly.

Andy Slaughter: It is extraordinary for someone to be asked to wait 16 months when a machine that could catch fire at any moment is in their home, yet the manufacturer is saying that they can continue to use it provided they are at home at the time.

We have also heard from Electrical Safety First, a well respected charity, and the chief executive of the Chartered Trading Standards Institute, who was on the radio, on “You and Yours”, earlier this week has told people not to buy Whirlpool products. I know that the Minister was praying trading standards in aid earlier, but she should look at what the Chartered Trading Standards Institute is saying before she does so again. Many people who are far more expert than I am in this field are concerned about this.

I also want to mention the media. It is always nice to mention them when they are doing good things. The Daily Mirror has run a fantastic campaign and put this issue on its front page many times, and ITN has run an excellent campaign. However, this multinational corporation appears to be immune to all that, and to what many Members of Parliament have said about the issue.

I hope that my hon. Friend the Member for Swansea East (Carolyn Harris), who chairs the all-party parliamentary group on home electrical safety, will have a chance to contribute to the debate. My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), who has more than 20 years’ experience as a firefighter, and I attended a meeting today of the all-party parliamentary fire safety and rescue group, chaired by the hon. Member for Southend West (Sir David Amess). The Chair of the Business, Innovation and Skills Committee has also raised the matter with Whirlpool. The problem is not that there are no well-informed people lobbying hard; it is that the corporation is not prepared to listen and that the Government do not seem prepared to make it listen.

Three things have shocked me. I appreciate that I am coming late to the issue, but my first point is about the scale of the Shepherd’s Bush fire. A senior fire officer said to me today that as he arrived at Shepherd’s Bush Green on 19 April and saw the flames running up the side of Shepherds Court from the 7th floor to the 11th floor, he thought that the London Fire Brigade would be dealing with multiple serious injuries and fatalities because of his experience at the Lakanal House fire.

I have tracked down 750 fires caused by Whirlpool dryers and by dryers from brands owned by Whirlpool between 2004 and 2015. We know about 127 models, but Whirlpool will not publish the full list. At least 5.3 million machines were manufactured and sold over the period. There have also been deaths. Two young men died in Wales, but I will not talk about that case in detail because it is subject to an inquest that has dragged on for two years.

Moving on to the second thing that shocked me—the hon. Member for South Leicestershire (Alberto Costa) will appreciate this—I wrote to and actually got quite a speedy response from Maurizio Pettorino, the chief executive of Whirlpool UK, asking what the company was going to do given the circumstances of the Shepherd’s Bush fire. Mrs Defreitas was in the same room as the dryer throughout and suspected that the dryer might be responsible even though there was no smoke at that time. She unplugged it and rang the fire brigade as soon as she could and then retreated from the flat, shutting the door. What more could she have been expected to do? I wrote to Mr Pettorino the week after the fire with those points. In what I think was a standard letter, he wrote back saying “we are advising consumers that their tumble dryers can continue to be used while the repair programme is underway... We are also asking customers not to leave their dryers unattended during operation, either while asleep or out of the house.”

That is comforting. The flat was relatively small, but if someone has a large house, it appears from those instructions that the company would be perfectly happy for them to be on the second floor while the dryer is merrily catching fire in the kitchen. I simply do not understand how that can continue to be the advice. It is not right—I asked the Minister about this morning and I hope she has had time to reflect on it—that these dryers, with their known faults, continue to be in use even if someone in the house is awake and alert. We know from Mrs Defreitas’s experience that if a machine catches fire, there may be nothing that can prevent it from burning down not only the consumer’s property but neighbours’ properties, too.

The third thing that shocked me—I take no pleasure from saying this because I am trying be consensual—is the Minister’s response. I wrote to the Secretary of State for Business, Energy and Industrial Strategy—I am glad he is in his place on the Front Bench—on 1 September...
but have not yet received a response. I thought that I might get one today given that this debate was happening, but I am sure that I will in due course. I gave notice of the questions that I wanted answered and tried to adopt a consensual tone, but the response that I received at Question Time this morning was that there is “an effective system of product recall”. That a steering group has been established to consider the recommendations in Lynn Faulds Wood’s review, which was an independent review set up and supported by government. The review reported, making a number of serious and well-thought-out recommendations about how a product recall system could work in this country. I am afraid to say that it has been dealt with in a very cynical fashion. Almost all the recommendations have either been ignored or pooh-pooed in some way. The only thing that has happened since it reported is that a steering group has been set up. All of us who watched “Yes Minister” will know that setting up a steering group is what you do when you do not want to do anything. This is a particularly ineffective steering group. It was given six months to meet, and they will end on 4 November. I do not how many times it has met, because it has not published any reports or minutes. I do know the membership of it, so I know that it has more representatives of manufacturers and retailers than of safety experts, from the fire service and elsewhere. I know very little else about it, so perhaps one other thing the Minister can clarify today is: what is happening with the recommendations of Lynn Faulds Wood’s report? Will the Minister look at them again? That was a serious piece of work, so will she seriously think about whether a new system of product recall should be established in this country? In the meantime, will she tell us what this steering group is doing and what happens when it allegedly finishes its work on 4 November?

There are many, many defects in this. Most of my constituents, and most constituents of other Members, will be living in a world of false security, in that they will believe that in the UK in 2016 there is a system of product recall. They will not realise that in many cases manufacturers have no idea where their products go. Part of the reason for that is that there is no compulsory registration, and there is not even an incentive to register products when they are bought because usually in the process of registering a product people are also asked to sign up to all the marketing and other guff that comes out of that. Rather than being bothered and pestered to buy all sorts of warranties that they do not want, people will say, “No, I am not going to register this product.” Consequently, between 1 million and 2 million of the Whirlpool machines have just disappeared; we do not know where they are. Before we can do a product recall, we must know where the machines are.

Mr Iain Wright (Hartlepool) (Lab): Customer safety is everything in business, as is the reputation of a corporation. Would my hon. Friend think about the contrast between how Whirlpool has dealt with this and the immediate recall, admittedly not in this country, by Samsung of the Galaxy Note 7? That recall will knock many thousands of pounds, for a regulatory offence. I do not believe that is enough to motivate Whirlpool to change from its current policy of waiting 16 months before effecting a repair to one where it immediately says, “You have a dangerous machine that we have manufactured in your house. Do not use it. We will come to repair or replace it immediately.” Such a change is what I would like to see.

Andy Slaughter: My hon. Friend has hit the nail on the head; the two companies are adopting completely opposite strategies. No doubt they both have commercial motivations, but one has been benevolent and one has not. Samsung thinks, “Right, we will take the hit now, because we believe in the long-term reputation of our company.” Whirlpool is trying to go below the radar. There will have been many reports of these many hundreds of fires in local newspapers and, occasionally, in the national press, but there is not an understanding across the general population that millions of people may have these dryers in their homes and that they pose a risk. Many of these dryers are not even registered.

Andy Slaughter: I do not think that anybody, including Whirlpool, will deny that this is a serious fault. We know of one particular fault, which is the ignition of trapped fluff when these machines reach very high temperatures. There may be other faults as well, I do not know. There are certainly faults in other white goods. When a defect of that kind becomes apparent and when it is clear that it poses a risk to life, limb and property, trading standards, the manufacturer and, in the absence of their being able or willing to act, the Government must ensure that there is a proper product recall, that dangerous products are not used, and that those products are either repaired or replaced.
[Andy Slaughter]

I regard it as a bit of an obscenity that if a person does not want to wait 16 months to have their dryer repaired, they can buy a new one from Whirlpool. They get it at a discounted value, yes, and it is quite a low price, but why should they have to buy that new product? Why should they not be entitled to have it replaced immediately for nothing so that they can use the product not just successfully, but with security? [ Interruption. ] I heard the hon. Member for Strangford (Jim Shannon) say from a sedentary position that the replacement products are often no safer than the ones that have been taken away. I urge the Minister, who is relatively new to her post—I do not want to have a row with her—to go and have a look at these issues. I am sure that, like me, the hairs on the back of her neck will start standing up when she looks into them.

I do not wish to pillory only Whirlpool. I have mentioned other companies and the fact that this goes much further in relation to white goods and electrical safety generally. Let us tackle this immediate and known problem now and ensure that there are no more incidents such as the Shepherd’s Bush fire, the consequences of which my constituents, my council and many other people will be dealing with for months and years to come. There have been no admissions, no offers of assistance, no compensation or payment and no expressions of real regret by Whirlpool. If that tumble dryer had not been in that flat, my constituents could have continued to enjoy the quiet of their homes. I regard this matter as totally unacceptable. It is corporate malpractice on a grand scale. I do not want the Minister to reply by saying, “Peterborough City Council trading standards can sort this out.” I want her and her Secretary of State to take responsibility, and that is the message that I want to take back to my constituents tonight.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. May I remind hon. Members that it is the Adjournment debate of the hon. Member for Hammersmith (Andy Slaughter) and that the Minister would like 15 minutes to wind up, which would bring us to 7.15? With that in mind, if Members are brief, I will hopefully be able to bring them all in.

7.3 pm

Carolyn Harris (Swansea East) (Lab): I thank my hon. Friend the Member for Hammersmith (Andy Slaughter) for allowing me to speak, and congratulate him on securing this really important debate. He will be aware that I chair the all-party group on home electrical safety, and that we have been following this issue very closely. Members have raised the issue of tumble dryers both formally and informally.

I met the company, and was astounded by the responses that I received. Perhaps it is the domestic goddess in me that thinks that a white good that needs to be monitored and repaired, they can buy a new one from Whirlpool. They get it at a discounted value, yes, and it is quite a low price, but why should they have to buy that new product? Why should they not be entitled to have it replaced immediately for nothing so that they can use the product not just successfully, but with security? [ Interruption. ] I heard the hon. Member for Strangford (Jim Shannon) say from a sedentary position that the replacement products are often no safer than the ones that have been taken away. I urge the Minister, who is relatively new to her post—I do not want to have a row with her—to go and have a look at these issues. I am sure that, like me, the hairs on the back of her neck will start standing up when she looks into them.

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7.6 pm

Alberto Costa (South Leicestershire) (Con): MPs do not name individuals lightly in this Chamber, and I carefully consider whether it was appropriate to name Maurizio Pettorino, the managing director of Whirlpool. As we have heard from hon. Members, the way in which Whirlpool has dealt with this matter is nothing short of disgraceful. I am a lawyer, and I have never come across a situation in the United Kingdom with a company as large as Whirlpool, with a product that has the potential for such a dangerous outcome in respect of fire, where a managing director has not responded to relevant consumer groups, and in my case to an MP. I have yet to hear back from Mr Pettorino further to my letter of 23 May.

The hon. Member for Hammersmith (Andy Slaughter) should be congratulated on securing tonight’s debate. It gives us an opportunity to consider, as he put it, a matter that Whirlpool was clearly hoping would remain “under the radar”. This is a matter of great importance. People are suffering; people have been injured. People, it has been alleged, have died as a result of these faulty tumble dryers.

The advice I have received, as the hon. Gentleman stated, is that I should use my tumble dryer only when I am present. Well, let us consider that for a moment. In my own household I have a night meter as well as a day meter, and the Government’s policy is that the public should try and economise on energy consumption and reduce their energy bills. By Whirlpool’s own advice, I am not meant to use that tumble dryer during the night, when it would be cheaper and more convenient for my family to do so, because it is a safety hazard to my family.
Patricia Gibson: I want to pick up on the important point that the hon. Gentleman made about the obvious health and safety risk. We heard from the hon. Member for Hammersmith (Andy Slaughter) that people’s lives have actually been at risk. I am wondering, as I sit here listening, if we know that these machines are not safe, if someone was using one of these machines, even under their watchful gaze, and there was damage to their property as a result, what would their insurance company say? Would they be covered? Would the insurance company pay out to fix the damage?

Alberto Costa: That is a very interesting point, because I would imagine that the phrase “contributory negligence” would come in if there were a personal injury matter raised under those circumstances.

The hon. Member for Hammersmith is right: there should be a total recall of this type of equipment. It is clear to me that the senior management at Whirlpool are wholly out of their depth; they are unable to deal with this in a proper, efficient, commercial manner. They are just hoping that it will go away. Well, it’s not going to go away, and it is right that we are discussing this in our national Parliament, so that Whirlpool hears clearly tonight—and I hope that the Minister is hearing clearly tonight and I look forward to her response—that Whirlpool must change its attitude in how it deals with these faulty products.

I am mindful of time and of the fact that the other hon. Members want to speak. The hon. Member for North Ayrshire and Arran (Patricia Gibson) said that her constituent had been told that she would have to wait 16 months. As I said earlier, I have not received a response at all. I should add that my letter to the managing director was quite separate from my initial online form, which did not mention the fact that I am a Member of Parliament, so as an ordinary consumer I have still to hear from Whirlpool about what it intends to do about the faulty tumble dryer. The sooner the Government assist in this matter, the sooner the consumer will benefit. Whirlpool, a company that we want to see succeed, should take on board the important messages that hon. Members are sending tonight, which I hope the Government will confirm in their response this evening.

7.10 pm

Yvonne Fovargue (Makerfield) (Lab): I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on obtaining this important debate. It is imperative that the Government take action to move Whirlpool now. It is also imperative that the Government look at the whole recall system. At present it is far too dependent on the consumer taking action and, as my hon. Friend said, the consumer registering. Even if they do register, how many people will remember, when they move house, to update their details and register the fact that they have taken their tumble dryer or their fridge freezer with them?

The system is far too oriented in favour of the manufacturer. That is why I fear that the steering group, whose members are preponderantly manufacturers, will not come up with a consumer-focused response to the report. It is vital that the UK consumer product recall report by Lynn Faulds Wood that came out in February 2016 is taken forward. There needs to be a trusted website on which people can see recalls. People who buy from eBay and Amazon are more and more inclined to look at the eBay and Amazon websites. There should be notes there on products that are recalled, alerting people who bought or are thinking of buying the same product.

There needs to be joined-up work, which is lacking at present. Trading standards officers should be given more support, and there needs to be more joined-up work between trading standards, manufacturers and consumers so that we all work together for the same aim—to make sure that a product that a consumer buys is safe. If by any chance a product is found not to be safe—we need more research into safety—trading standards, manufacturers and consumers should know that as soon as possible, by any means possible. Let us remember that many people who buy products from firms such as BrightHouse are not online.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): This debate has been very illuminating for me. I am sorry that the hon. Member for Hammersmith (Andy Slaughter) was alarmed by my response earlier at BEIS questions. I congratulate him on obtaining this important debate. If that is how he speaks as a newcomer to a subject, goodness knows what he is like when he is focused on a subject on which he is an acknowledged expert. Listening to his speech, I learned a great deal.

I thank other hon. Members for their contributions. The hon. Member for Swansea East (Carolyn Harris), chair of the all-party parliamentary group on home electrical safety, made the point clearly that safety is paramount. Her view is that the system is not delivering. I was struck by the remarks of my hon. Friend the Member for South Leicestershire (Alberto Costa), who is justifiably outraged that his letters to the chief executive of Whirlpool have met with no response, which is at odds with my own experience. I seem to have obtained a letter from Mr Pettorino unsolicited. I propose to share some of that letter with the House so that hon. Members can take a view as to the veracity of its contents, which I found reassuring. I asked one of my officials to contact the relevant authority—Peterborough trading standards—to check the contents of the letter, and I was reassured that they felt it was a true and fair picture.

I should first, of course, mention that I was very shocked to hear about the terrible fire in Shepherd’s Bush and the fate of Debbie Defreitas, without whose prescient action the situation could have been a lot, lot worse. I read the fire officer’s report to the effect that the fire occurred at about half-past four in the afternoon. Had it occurred in the middle of the night, he feels certain that there would have been fatalities. There is no doubt that it was a very serious incident, and I send my sympathy to the constituents of the hon. Member for Hammersmith—particularly those who have not even been able to return to their homes.

Although the number of tumble dryers in use continues to rise, the number of fires resulting from their use has remained constant. I did quote some figures at BEIS questions earlier today. Although we have heard terrible reports this evening, I really should put on record again that, of the five Whirlpool products that are mainly sold in Britain, 5 million were sold over the course of a year. There were 750 fire incidents, most of
which were contained within the machine. That represents 0.02% of all the sales of each individual product. That is a very small percentage, but I accept that 750 fires is a high number, even though most of them were contained within the machine.

Jim Shannon: Another example—not to do with white goods—is cars where there is a safety issue. The manufacturer recalls every one of the cars—every one of the models—irrespective of how many there has been a problem with. With respect to the Minister, the firm should be recalling every one of these models, not just a small percentage.

Margot James: The hon. Gentleman is quite right that there are circumstances where a fault identified in a car would result in a complete product recall; indeed, there are circumstances that would lead to a complete product recall of white goods as well. It does depend on the nature of the fault in the car, as it does depend on the risk assessment with the white goods.

Kevin Foster (Torbay) (Con): Will the Minister give way?

Margot James: I will give way once more, and then I really must conclude my remarks.

Kevin Foster: Would the Minister agree that one of the big issues is that, even where there is a recall, the average success rate in the UK is 10% to 20%? Despite websites like the one run by the Electrical Safety Council through its Electrical Safety First charity, if there is only a 10% to 20% success rate, we are, even with a recall, still going to have many products out there.

Margot James: I thank my hon. Friend for that very helpful intervention. I did speak to the Hertfordshire trading standards authority about another firm’s tumble dryer in August. It pointed out that total product recalls are never total, and my hon. Friend quoted the statistic. One can be lulled into a false sense of security by a total product recall, which is in fact, using the statistics my hon. Friend quoted, getting back only one in four goods—just a quarter. It is not easy to reach enough of the population who may have purchased one of these machines.

I am going to come on to the work that is being done following the Lynn Faulds Wood report, which was mentioned very helpfully by the hon. Member for Makerfield (Yvonne Fovargue). I am not yet persuaded that there are circumstances where a fault identified in a car would result in a complete product recall; indeed, there are circumstances that would lead to a complete product recall of white goods as well. It does depend on the nature of the fault in the car, as it does depend on the risk assessment with the white goods.

There will be regular updates on the work of the group, including progress on the new website. Hon. Members will be able to see that information posted on gov.uk very shortly. As a result of this debate and what I have read in the press prior to coming here this evening, I have asked my officials to arrange for me to meet the chair of the steering group and the member from the Chief Fire Officers Association. Although they have set themselves a timeline of reporting within two years, I will be asking them at least to produce an interim report, in a much shorter timeframe, with measures that the Government can then consider implementing without further delay.

I will say a little word about Peterborough Council’s trading standards. I accept that there can be an issue, in that we have very good, well-qualified expert people working for a relatively small organisation in Peterborough dealing with a large multinational company. However, trading standards in this country is respected around the world, so I would not want to dismiss its expertise for one minute. It has been the lead regulator for Whirlpool and has agreed the full risk assessment carried out by the company.

Alberto Costa: I would not wish to cast any aspersions on trading standards. I am sure that the Minister is as familiar as I am with washing one’s clothes and placing them in a tumble dryer. Is it safe to put clothes in a tumble dryer only if one is present while they are drying, as we have been told? If she agrees that it is not practicable with today’s lifestyles to stand looking at one’s tumble dryer, then surely she will agree that the product is not safe and that she should therefore communicate again with trading standards on a more appropriate response to this matter.

Margot James: I have been in contact with trading standards, and to date I have been satisfied with its approach. The advice and guidance through the process of modification that Whirlpool is implementing whereby one has to attend the tumble dryer while it is carrying out its operation is certainly inconvenient—I would be the first to admit that. If one has dual meters so that machines can be put on overnight, that does not help with energy conservation. However, I am not yet persuaded that the product is necessarily unsafe, because the very few fires overall in terms of the 5 million machines that have been sold have mostly been contained within the machine. On being present, bearing in mind what trading standards believes to be a very low risk, I think that the advice is reasonable given that a total product recall is unlikely to get back more than one in four machines.

Kevin Foster: Another example—not to do with white goods—is cars where there is a safety issue. The manufacturer recalls every one of the cars—every one of the models—irrespective of how many there has been a problem with. With respect to the Minister, the firm should be recalling every one of these models, not just a small percentage.

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Margot James: I thank the hon. Gentleman for clarifying one of those points. I will most certainly raise what he has said with the chairman of the steering group and the fire officer when I meet them.

I want to share with the House the key points made to me by the chief executive of Whirlpool. Following its acquisition of Indesit in 2014, its global safety experts worked to review the product portfolio, proactively engaged with trading standards, shared with it all relevant information available and sought its determination on what action to take. Trading standards subsequently determined that corrective action was required and that a modification programme was necessary to resolve the issue. Since then, Whirlpool has been in continual dialogue with the trading standards authority. Alongside a widespread safety alert and information campaign, including adverts in the national press, it rapidly engaged with customers and set up a dedicated phone line and websites and an online model-checker for consumers to instantly find out whether they had an affected appliance. It is continuing its efforts to identify all owners of the affected models and to contact them directly by all of the usual means. In addition to direct consumer outreach, it has continued to work with retail and trade partners to identify the machines involved and to communicate with owners.

Alberto Costa: But it ignores MPs.

Margot James: In reading this out, I am acutely conscious that my hon. Friend has not received a reply to his letter. Whirlpool engineers are visiting more than 4,000 homes a day across the UK and, as of today, it has resolved more than 805,000 customer cases. I am assured by Peterborough trading standards that that is true and, although the mood in the Chamber tonight is hostile to Whirlpool, that is quite a creditable performance and not to be lightly dismissed. It is continually looking into additional ways to improve the efficiency of the programme, and I am sure that tonight’s debate will have illuminated a few of those additional ways. It is increasing the number of engineers all the time—it has increased its team of engineers by more than 45%.

It is true to say that Whirlpool, for all its faults in communicating with my hon. Friend, is making a concerted effort to deal with the safety of these appliances. I accept from everything that has been said in this debate that we need rapidly to get on top of the issue. I will, as I have promised the hon. Member for Hammersmith, meet the relevant people, talk specifically to representatives of Peterborough trading standards, and convey to them the mood of the House and the concerns of hon. Members. Although statistically the risk of the 5 million machines that have been sold may be very low, people have been killed by them. As the Minister with responsibility for consumer rights, that is obviously something that I will take extremely seriously. In conclusion, I thank the hon. Gentleman again for this timely debate.

Question put and agreed to.

7.29 pm

House adjourned.
Violence against Women and Girls

The Secretary of State for International Development (Priti Patel): It is an honour to stand here today as the International Development Secretary. I believe passionately in my Department’s mission to end extreme poverty. Violence against women and girls is a global scandal that the Department for International Development is working to end. We invest in hundreds of organisations to improve the lives of millions of women and girls globally. I pay tribute to the leadership of my predecessor, my right hon. Friend Dame Caroline Spelman, whose campaign “Fearless” has really taken off.

Priti Patel: I pay tribute to those involved in championing that campaign. There are more than 40 existing mechanisms through which funding is channelled to women’s rights organisations. I believe—rightly so—that we channel our funding in the right way to support the right objectives and outcomes for women and girls around the world.

Dame Caroline Spelman (Meriden) (Con): I warmly welcome my right hon. Friend to her place. Women refugees often suffer violence on their journeys to safety, and the practice of registering only the head of the family in asylum processes often leaves their needs neglected. Will the Secretary of State reassure the House that at the UN summit on refugees next week the voice of women refugees will get a proper hearing?

The Secretary of State for International Development (Priti Patel): My Department has funded the United Nations and non-governmental organisations to provide food, water, healthcare and nutritional supplies to Aleppo. We have allocated £561 million to support vulnerable people inside Syria, including in Aleppo and other besieged areas, where access is possible.

John Pugh (Southport) (LD): What steps she is taking to support grassroots women’s rights organisations which are working to tackle violence against women and girls in developing countries.

Priti Patel: Only 1% of gender-specific funds are spent on women’s rights organisations. Does the Secretary of State not think she could do more, and will she align with ActionAid, whose campaign “Fearless” has really taken off?

Priti Patel: I pay tribute to those involved in championing that campaign. There are more than 40 existing mechanisms through which funding is channelled to women’s rights organisations. I believe—rightly so—that we channel our funding in the right way to support the right objectives and outcomes for women and girls around the world.

Dame Caroline Spelman (Meriden) (Con): I warmly welcome my right hon. Friend to her place. Women refugees often suffer violence on their journeys to safety, and the practice of registering only the head of the family in asylum processes often leaves their needs neglected. Will the Secretary of State reassure the House that at the UN summit on refugees next week the voice of women refugees will get a proper hearing?

Priti Patel: I thank my right hon. Friend for her very important and significant question. She is right to point out that there is a conference at the UN General Assembly next week specifically on refugees, on which our Prime Minister and President Obama will be leading. Those are the very issues and challenges that will be reflected in the summit, and Britain will lead the way in standing up for the rights of women refugees and doing the responsible thing for them.

Carol Monaghan (Glasgow North West) (SNP): During the summer holidays many girls are taken from the UK to developing countries, where they are subjected to the brutality of female genital mutilation. What is the Secretary of State doing to prevent those girls from being taken out of the country in that way?

Priti Patel: The hon. Lady rightly highlights the abhorrent practice of FGM and that vulnerable girls are abused in that way. I am working with colleagues across Government on a strategy to ensure not just that we do more but that we end that practice and, importantly, bring the perpetrators of that abhorrent crime to justice.

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12. [906325] Hannah Bardell (Livingston) (SNP): An Independent Commission for Aid Impact report says that support for women’s rights organisations remains “a…neglected area in DFID’s programming” and recommends strengthening grassroots women’s rights organisations as a route to scaling up prevention of violence. Given the Government’s commitment under sustainable development goal 5 on women’s rights and girls’ empowerment, what steps will the Secretary of State take in her new role on the ICAI’s advice?

Priti Patel: As I said in my opening remarks, I pay tribute to the work of my predecessor, who has led the way on women’s rights and rights for girls. The hon. Lady is right to point to the SDGs. DFID is doing a great deal. We recognise the critical role of women’s rights and the organisations that we partner and work with. We will continue to do exactly that.

Christina Rees (Neath) (Lab/Co-op): I welcome the Secretary of State to her place. What programmes does her Department provide to counter the use of rape and sexual violence as a weapon of war and subjugation?

Priti Patel: The hon. Lady raises the abuse and the abhorrent crimes that take place against women and girls in conflict and conflict zones. We work with a whole range of organisations, and civil society also plays a part in achieving the right outcomes. We work with Governments around the world and through our multilateral relationships through the United Nations not only to work with countries and organisations to try to stop that practice but to deal with the perpetrators of those appalling crimes.

Syria: Aid

2. Kerry McCarthy (Bristol East) (Lab): What aid her Department is providing to civilians in (a) Aleppo and (b) other besieged areas in Syria.

The Secretary of State for International Development (Priti Patel): My Department has funded the United Nations and non-governmental organisations to provide food, water, healthcare and nutritional supplies to Aleppo. We have allocated £561 million to support vulnerable people inside Syria, including in Aleppo and other besieged areas, where access is possible.
Kerry McCarthy: I thank the Secretary of State for that response but, despite the ceasefire this week, we are hearing from the UN special envoys that the Syrian regime is continuing to restrict aid to eastern Aleppo. We have also heard reports that two barrels of chlorine gas were dropped by helicopter on civilian neighbourhoods, injuring many people including children. What will the Secretary of State do to facilitate access for humanitarian aid?

Priti Patel: The hon. Lady is absolutely right. The Syria crisis is appalling in every single aspect we see and experience. The point about aid is significant because we have had significant access problems. The ceasefire has just come into being and, obviously, we are working with the UN and our partners to look at getting much needed aid and supplies into the besieged areas, which have not seen aid for a considerable time. All colleagues in the House recognise this, but it is worth pointing out again that this is an appalling crisis and conflict. On the perpetrator—Assad—we are working on the wider conflict resolution, but our priority is to ensure that we can get humanitarian supplies in.

Priti Patel: The UK led the way with the Syria conference. We have pledged more than £2.3 billion in response to the humanitarian crisis in Syria and the region. We have the UN General Assembly next week, where we will again make the case for the donors to do more to raise more money, and for greater partnership working, to alleviate many of the hardships that we see in the crisis in Syria.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): All hon. Members hope that the ceasefire will update the progress that has been made on raising funds to support humanitarian aid in Syria since the London Syria conference earlier this year?

Priti Patel: The UK led the way with the Syria conference. We have pledged more than £2.3 billion in response to the humanitarian crisis in Syria and the region. We have the UN General Assembly next week, where we will again make the case for the donors to do more to raise more money, and for greater partnership working, to alleviate many of the hardships that we see in the crisis in Syria.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): All hon. Members hope that the ceasefire will mean safer passage for the convoys to reach the besieged cities. What discussions is the Secretary of State having with the Foreign and Commonwealth Office and Ministry of Defence on potential airdrops, if deemed necessary, to ensure that support gets to those who need it so desperately?

Priti Patel: The hon. Lady recognises and reflects upon the severity of the situation. I am working with colleagues in both Departments she mentioned. Obviously, the ceasefire has only just come into being. We are looking at all avenues to get humanitarian aid and support into, and at how we can help the affected populations. Delivering aid by road by our trusted partners ensures that it gets to the most vulnerable. Airdrops come with a greater risk but, as I have said, with the ceasefire coming into fruition at the beginning of the week, we are looking at all avenues for aid delivery.

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4. Scott Mann (North Cornwall) (Con): What steps her Department is taking to ensure that its funding goes to legitimate causes.

The Parliamentary Under-Secretary of State for International Development (James Wharton): DFID is engaged in tackling some of the great global challenges of our time. The Department has in place rigorous systems and processes to ensure that the money we spend gets to those for whom it is intended.

Scott Mann: Does the Minister agree that UK taxpayers need to be considered at every single step of the way when it comes to our aid spending?

James Wharton: I absolutely agree with my hon. Friend. He is absolutely right. He may have seen the words of my right hon. Friend the Secretary of State in the Daily Mail only today setting out her vision for the future direction of the Department’s spending. We need rigorous accountability. We need proper business cases. We need a clear sense of what we want to achieve. That is exactly what this ministerial team will bring and what this Government will deliver.

9. Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Global Fund to Fight AIDS, Tuberculosis and Malaria is on track to save 22 million lives by the end of 2016. Can the Secretary of State confirm whether the UK will pledge the £1.2 billion called for at the Replenishment conference? How will she ensure that Britain’s contribution will retain its value in light of the pound’s post-Brexit fall against the dollar?

James Wharton: The UK has been a key contributor to the global health fund, which has made a real difference. I met only yesterday the chairs of the all-party groups on HIV/AIDS, tuberculosis and malaria to discuss the contribution the UK intends to make. My right hon. Friend the Secretary of State will be making an announcement in Montreal in the coming days to set out just what the UK will be doing.

14. Mr Dominic Raab (Esher and Walton) (Con): I welcome the Secretary of State’s refreshing approach. May I urge her and her ministerial colleagues to revise the criteria for bilateral aid, so that countries refusing point-blank to accept foreign national offenders deported from the UK do not receive millions of pounds of taxpayers’ money?

James Wharton: As always, my hon. Friend has an eye for value for money in the interests of the British taxpayer. We are, of course, looking at what DFID does. DFID delivers a huge amount of difference: it changes lives and helps people across the globe. We want to ensure that every penny we spend is spent wisely. The comments he makes are very important, as part of that debate and discussion.

Mr Nigel Dodds (Belfast North) (DUP): There are grave concerns about the Palestinian Authority continuing to pay reward payments to convicted terrorists and the possible misappropriation of international aid from the UK to the Palestinian Authority. Will the Minister look carefully at that once again in the light of the grave concerns that are being expressed?

James Wharton: It is vital that the money that UK taxpayers spend on aid is spent on the right things and the right priorities. Where concerns are raised, they will of course be looked into in detail. If there are issues found to be arising, they will be addressed and tackled. The UK also believes in its commitment to helping the poorest in the world. Every penny spent on the purposes for which it is intended is a penny well spent. Any penny that goes missing is a life that may go unsaved.

5. Edward Argar (Charnwood) (Con): What steps her Department is taking to ensure value for money in its aid budget.

The Secretary of State for International Development (Priti Patel): My predecessors in Government have made huge progress in improving British aid by creating an independent aid watchdog, introducing much tougher value-for-money controls and making DFID’s spending even more transparent.

Edward Argar: Can my right hon. Friend reassure me that in seeking value for money she will also ensure that British companies and organisations are able to tender competitively for all DFID contracts at home and abroad, and are not in any way disadvantaged when bidding against overseas companies?

Priti Patel: My hon. Friend makes a very important point. He will know of, and be familiar with, the regulations on procurement, but I want to assure him and the House that British firms and British small and medium-sized enterprises win a significant proportion of our work. In the last financial year, 74% of our supplier spend was with UK firms.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Secretary of State has clearly been very busy briefing The Mail on Sunday, along with her anti-aid special adviser. She mentioned transparency, so can she explain why funding for South Sudan, an area of great interest not only to our security forces but to our development needs, is to receive a cut in its budget next year from her Department? Will she continue to fund crucial humanitarian causes such as that one?

Priti Patel: I hope, Mr Speaker, that the hon. Gentleman heard my words earlier about the tremendous work of our Department when it comes to humanitarian aid, support and saving lives. The hon. Gentleman is absolutely right: we will continue to champion those individuals whose lives need saving where support is required in many countries around the world. That includes a lot of the institutional reform and the support that we bring.

Mr Speaker: I always hear the Secretary of State’s words. I have been hearing them for at least 20 years.

Sir Eric Pickles (Brentwood and Ongar) (Con): I welcome my right hon. Friend to the Dispatch Box and assure her that I, too, enjoyed reading the Daily Mail.
this morning. As part of getting proper value, would it not make sense to reward those organisations that are working for peace within the middle east rather than to have money going to those who seek to encourage terrorism?

Priti Patel: My right hon. Friend raises important points. As I have said a number of times today, DFID is focused on value for money, but, as he has rightly pointed out, we will work with organisations in the right way to make sure that we are delivering the right outcomes that meet our Government priorities—both peace and stability, as well as humanitarian causes.

Imran Hussain (Bradford East) (Lab): I, too, would like to welcome the Secretary of State and her Ministers to their places, but in doing I wish to remind her of her predecessor’s commitment to transparency and scrutiny of the development budget to ensure value for money. Why, then, with the replenishment of the global health fund, which should be one of the biggest multilateral commitments, just days away, have we not seen the publication of the multilateral and bilateral reviews?

Priti Patel: If I may repeat again, we are very focused, and my predecessors quite rightly worked hard and assiduously on value for money and greater transparency. I want to go even further by making the entire global aid system more transparent, more focused on results and more accountable to those we are trying to help. The hon. Gentleman rightly points to the global fund replenishment. A conference is taking place this weekend, and I will be making an announcement over the course of it. I shall also be making sure with that replenishment that we push the agenda of greater transparency and value for money.

Aid Budget: Government Departments

6. Christian Matheson (City of Chester) (Lab): What proportion of the 0.7% of GDP allocated to international aid is planned to be spent by other Government Departments in 2016-2017.

The Secretary of State for International Development (Priti Patel): We will honour our commitment to the 0.7%. Based on the spending review settlement of 2015, other Government Departments will spend 14% of UK official development assistance in this financial year, including 4% spent through cross-government departmental funds such as the Conflict Stability and Security Fund and the prosperity fund.

Christian Matheson: Did the international aid transparency initiative not establish that the Ministry of Defence and the Foreign Office are “poor” and “very poor” at dispensing aid? Should not all of the 0.7% therefore be distributed through DFID?

Priti Patel: We have a cross-government strategy on how to spend ODA money on Government priorities. We want to address the challenges across the world—there are obviously many global threats—which is why the MOD and other Government Departments have oversight and spend in this area. I am leading, but I work with my colleagues across Government to ensure that the money is spent in the right way on those strategic priorities.

Wendy Morton (Aldridge-Brownhills) (Con): I welcome the new Secretary of State and her Ministers to their new roles. As a member of the International Development Committee, I look forward to seeing them in that Committee. Can she reassure me that the non-DFID ODA will continue to see the same amount of scrutiny as the DFID ODA?

Priti Patel: I thank my hon. Friend. She is absolutely right. We have the watchdog, the Independent Commission for Aid Impact. As the lead Government Department, leading on overspend, we ensure that the money going across Government Departments through this cross-government strategy is spent on the right priorities. It will be spent in the right way.

Patrick Grady (Glasgow North) (SNP): I welcome both the Government and the Opposition spokespersons to their posts. Will the Secretary of State confirm that, contrary to what the Defence Secretary told the “Today” programme, it does matter what budget conflict and security spending comes from? Will she guarantee that the Ministry of Defence will not raid the DFID budget, which should be spent on helping the poorest people around the world?

Priti Patel: As the world is changing, so must our approach to aid. That is why we have a cross-Government strategy to ensure that official development assistance meets Government priorities while also recognising and tackling the global challenges that we face. DFID will continue to be a leader when it comes to accountability and transparency, and that will, of course, apply to my colleagues throughout the Government as well.

Mr Speaker: Order. These are extremely important matters affecting some of the most vulnerable people on the face of the planet. They really do deserve—/Interruption/— Order. They really do deserve a more attentive audience. It would show some respect to very vulnerable people if we listened to the questions and to Ministers’ answers.

Kate Osamor (Edmonton) (Lab/Co-op): It was reported in The Guardian today that the Secretary of State has plans for a drastic overhaul in the direction of foreign aid, which will be based on “core Tory values”. Can she explain to us what the overhaul will look like, and how it will affect the most vulnerable?

Priti Patel: As I have already said today, my Department will be a champion of British taxpayers when it comes to the rightful spending of UK aid. My predecessors worked assiduously to ensure that aid was spent in the right way, and I will continue to build on that.

As for Conservative values, I am speaking very clearly about economic development, prosperity, jobs and empowerment in many of the poorest parts of the world. That is what my Department and I will focus on as we work on the transparency agenda, while also ensuring that those in the poorest countries can look to the future more positively and with more prosperity.

Topical Questions

T1. [906329] Mr Gareth Thomas (Harrow West) (Lab/Co-op): If she will make a statement on her departmental responsibilities.
The Secretary of State for International Development (Priti Patel): Since my appointment I have visited India, where I called for the delivery of an ambitious UK-India partnership. I have also visited Lebanon and Jordan, where I saw at first hand how UK-funded programmes are delivering education and humanitarian support to the residents of the Zaatari refugee camp. I look forward to working with all our partners throughout the world where British leadership and experience are valued.

Mr Thomas: Given that a 20% increase in funding for the global fund from Britain is perfectly affordable in the context of Britain’s rising aid budget, and given that such an increase would trigger further sizeable increases in contributions from the United States and from Gates, why can the Secretary of State not tell the House now whether she will meet that 20% request?

Priti Patel: I have already said that I will be doing that, along with my colleagues. I spoke to my Canadian counterpart yesterday about our replenishment of the global fund, and other support. The global fund does amazing work in meeting global objectives. I shall make an announcement about our replenishment this weekend, at the Replenishment conference.

T2. [906330] Ben Howlett (Bath) (Con): The sustainable development goals that were agreed in 2015 are crucial to ending poverty, fighting inequality and injustice, and tackling climate change by 2030. What is the Secretary of State doing to implement those goals in the United Kingdom?

Priti Patel: I only just heard my hon. Friend’s question, but I picked up his reference to global goals, which represent a comprehensive plan when it comes to fighting poverty and meeting our strategic objectives. I assure him that my Department is focusing on delivering on those goals, and on meeting our manifesto pledges on aid.

T3. [906331] Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): The Secretary of State’s predecessor said to me that the DFID’s new priorities. I look forward to publishing both of the reviews, and since they were draft reviews when I came into the Department, I am looking at them to make sure they meet not just the Government’s priorities, but also DFID’s new priorities. I look forward to publishing them later this year.

Priti Patel: I look forward to publishing both of the reviews, and since they were draft reviews when I came into the Department, I am looking at them to make sure they meet not just the Government’s priorities, but also DFID’s new priorities. I look forward to publishing them later this year.

T4. [906332] Mr David Nuttall (Bury North) (Con): I recently visited Uganda and was proud to see British taxpayers’ money being used to vaccinate children against all sorts of diseases, but rubella is one area where we are failing to help. Please will my right hon. Friend look at ways in which we could use international development aid to vaccinate children against this hideous condition?

Priti Patel: My hon. Friend raises an important point. The UK is the largest donor to GAVI, the Vaccine Alliance, which protects children from rubella through measles and rubella vaccinations, and of course GAVI has been set up very much to do exactly what my hon. Friend says. We have the UK aid match scheme, and Sense International has received over £200,000 for this very purpose in Uganda and Kenya in particular. I look forward to hearing from my hon. Friend about his findings from his visit.

T5. [906333] John Nicolson (East Dunbartonshire) (SNP): The Secretary of State’s predecessor said to me that the outcome of the bilateral and multilateral aid review would be published in the early summer. It is lovely weather today, but hardly early summer; when will it be published?

Priti Patel: I look forward to hearing both of the reviews, and since they were draft reviews when I came into the Department, I am looking at them to make sure they meet not just the Government’s priorities, but also DFID’s new priorities. I look forward to publishing them later this year.

T6. [906334] Mr Nigel Evans (Ribble Valley) (Con): Yesterday, the all-party group on Syria—[Interuption.]—met so that we could, with friends from Syria, remember our colleague Jo Cox. May I ask the Secretary of State, further to answers she gave a moment ago with regard to besieged areas, what discussions she has had with colleagues in the region about making sure that sufficient resources are stockpiled in nearby areas so that as soon as that humanitarian window opens we can make sure those areas get the help they need?

Priti Patel: The hon. Lady is absolutely right once again to highlight the appalling crisis and the conflict we see in Syria right now. Further to the points I made earlier, with the new cessation of hostilities coming into force we are of course focused on all avenues of access to get humanitarian aid and support into many parts of Syria that have not seen aid or any humanitarian support for a considerable time. With regard to the discussions I have been having, I have been speaking to colleagues in the region and colleagues across government, and I have also been speaking to our international partners about how we can get that aid through to these critical locations.

Mr Speaker: Thank you, colleagues.
The Prime Minister (Mrs Theresa May): Let me start by paying tribute to my right hon. Friend the former Member of Parliament for Witney, David Cameron. He has been a tremendous public servant both for his Witney constituency and the country as a whole, and under his leadership we saw the economy being stabilised, more people in work than ever before, and people on low incomes being taken out of paying tax altogether, and this Government will build on that legacy by extending opportunity to all parts of the country.

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.

Deidre Brock: Last week, the Prime Minister could not tell us whether she was in favour of staying in the single market. As an Edinburgh MP, may I tell her how important the financial sector is to Scotland’s economy? Will she tell us whether she agrees with her Foreign Secretary that passporting for financial services is guaranteed to continue after the UK leaves the European Union?

The Prime Minister: I am not going to give the hon. Lady a different answer from the one I gave the House on many occasions last week, which is that this Government will be working to ensure the right deal for the United Kingdom in trade in goods and services. That includes listening to the concerns that the Scottish Government and the Governments in Northern Ireland and Wales might wish to raise with us. We will be fully engaged with the devolved Administrations. As I said last week, the best thing for the financial sector in Edinburgh and for the economy of Scotland is to be part of the United Kingdom.

Q2. [906340] Marcus Fysh (Yeovil) (Con): Will my right hon. Friend join me in welcoming the very good employment figures that show that unemployment in my constituency has halved since 2010 and, crucially, that youth unemployment has fallen by 12% in the last year alone? Will she promote this fact, and that unemployment is now at its lowest level for 20 years?

The Prime Minister: I am very happy to join my hon. Friend in welcoming the figures that show that unemployment in my constituency has halved since 2010 and, crucially, that youth unemployment has fallen by 12% in the last year alone. Will she promote this fact, and that unemployment is now at its lowest level for 20 years?

Jeremy Corbyn (Islington North) (Lab): I am sure that the whole House will join me, my right hon. Friend the Member for Knowsley (Mr Howarth) and Jane Kennedy, the police and crime commissioner for Merseyside, in paying tribute to the police constable who was stabbed several times yesterday in the line of duty while trying to arrest a rape suspect in Huyton. We all wish him well and a speedy recovery. I also wish the former Prime Minister well on his departure from this House and in his future life. I hope that the by-election in Witney will concentrate on the issues of education and on his views on selection in education.

I want to congratulate the Prime Minister. She has brought about unity between Ofsted and the teaching unions. She has united former Education Secretaries on both sides of the House. She has truly brought about a new era of unity in education thinking. I wonder if it is possible for her this morning, within the quiet confines of this House, to name any education experts who back her proposals on new grammar schools and more selection.

The Prime Minister: First, may I join the right hon. Gentleman in paying tribute to the police constable who was stabbed in Knowsley? One of the events that I used to look forward to going to every year as Home Secretary was the Police Bravery Awards, because at that event we saw police officers who never knew, when they started their shift, what was going to happen to them. They run towards danger when other people would run away from it, and we owe them a great tribute and our gratitude.

I am glad that the right hon. Gentleman has raised the issue of education, because it enables me to point out that over the past six years we have seen 1.4 million more children in good or outstanding schools. That is because of the changes that this Government introduced: free schools and academies, head teachers being put in charge of schools, and more choice for parents. I note that the right hon. Gentleman has opposed all those changes. What I want to see is more good school places and a diversity of provision of education in this country so that we really see opportunity for all young people going as far as their talents will take them.

Jeremy Corbyn: I asked the Prime Minister whether she could name any experts who could help her with this policy. Sadly, she was not able to, so may I quote one expert at her? His name is John and he is a teacher. He wrote to me:

“The education system and teachers have made great strides forward to improve the quality and delivery of the curriculum. Why not fund all schools properly and let us do our job.”

The evidence of the effects of selection is this: in Kent, which has a grammar school system, 27% of pupils on free school meals get five good GCSEs compared with 45% in London. We are all for spreading good practice, but why does the Prime Minister want to expand a system that can only let children down?

The Prime Minister: The right hon. Gentleman needs to stop casting his mind back to the 1950s. We will ensure that we are able to provide good school places for the 1.25 million children in schools that are failing or inadequate or that need improvement. Those children and their parents know that they are not getting the education that is right for them and the opportunities that they need.
Let us consider the impact of grammar schools. If we look at the attainment of disadvantaged and non-disadvantaged children, we see that the attainment gap in grammar schools is virtually zero, which it is not in other schools. It is an opportunity for young people to go where their talents will take them. The right hon. Gentleman believes in equality of outcome; I believe in levelling down; we believe in levelling up.

Jeremy Corbyn: Equality of opportunity is not segregating children at the age of 11. Let me quote the Institute for Fiscal Studies:

“those in selective areas who don’t get into grammar schools do worse than they would in a comprehensive system.”

The Secretary of State for Education suggested on Monday that new grammar schools may be required to set up feeder primary schools in poorer areas. Will the children in those feeder primaries get automatic places at grammar school or will they be subject to selection?

The Prime Minister: We are setting up a more diverse education system that provides more opportunities. The right hon. Gentleman appears to be defending the situation we have at the moment, where there is selection in our school system, but it is selection by house price. We want to ensure that children have the ability to go where their talents take them. I gently remind the right hon. Gentleman that he went to a grammar school and I went to a grammar school, and it is what got us to where we are today—but my side might be rather happier about that than his.

Jeremy Corbyn: The two things that the Prime Minister and I have in common are that we can both remember the 1950s and can both remember going to a grammar school. My point is this: every child should have the best possible education. We do not need to and never should divide children at the age of 11—a life-changing division where the majority end up losing out.

I notice that the Prime Minister did not answer my question about feeder primary schools. The Secretary of State for Education said on Monday that the Government

“have not engaged much in the reform of grammars”—[Official Report, 12 September 2016; Vol. 614, c. 614.]

but that they would now start the process. Will the Prime Minister confirm whether existing grammars, such as those in Kent and Buckinghamshire, will now be instructed to widen their admissions policies?

The Prime Minister: The right hon. Gentleman is right that what we are looking at and consulting on is a diversity of provision in education. We want to make sure that all grammar schools actually do the job that we believe is important—providing opportunities for a wide range of pupils—and there are many examples across the country of different ways in which that is done through selective education. He talks about a good education for every child, and that is exactly what our policy is about. There are 1.25 million children today who are in schools that are not good or outstanding. There are parents today who fear that their children are not getting the good education that enables them to get on in life. I believe in the education that is right for every child. It is the Labour party that has stifled opportunity and stifled ambition in this country. Members of the Labour party will take the advantages of a good education for themselves and pull up the ladder behind them for other people.

Jeremy Corbyn: I am sorry that the Prime Minister was unable to help anyone in Kent or Buckinghamshire in the answer to my question—presumably, she will have to return to it. This is not about pulling up ladders; it is about providing a ladder for every child. Let me quote to her what a critic of grammar schools said:

“There is a kind of hopelessness about the demand to ‘bring back’ grammars, an assumption that this country will only ever be able to offer a decent education to a select few.”

He goes on to say:

“I want the Conservative Party to rise above that attitude”.

Those are not my words, but those of the former right hon. Member for Witney. Is he not correct that what we need is investment in all of our schools and a good school for every child, not this selection at the age of 11?

The Prime Minister: What we need is a good school for every child, and that is precisely what we will be delivering with the policy that we have announced. With that policy, we will see: universities expanding their support for schools; more faith schools being set up; and independent schools increasing their support for schools in the state sector. A diversity of provision of education is what we need to ensure good school places for every child. That good school place is important so that young people can take opportunities and get into the workplace.

I notice that this is the right hon. Gentleman’s fifth question and he has not yet welcomed the employment figures today, which show more people in work than ever before; and wages rising above inflation. That is more people with a pay packet and more money in those pay packets. What would Labour offer? It would offer more taxation and misery for working families. It is only the Conservative party that knows you can build an economy that works for everyone only when everyone has an opportunity for work.

Jeremy Corbyn: Of course I welcome anyone who has managed to get a job; I welcome those people who have managed to get jobs, and keep themselves and their families together. The problem is that there are now almost a million of them on zero-hours contracts who do not know what they are going to be paid from one week to the other.

In order to help the Prime Minister with the expertise on the reform of secondary schools, may I quote to her what Michael Wilshaw, the chief inspector of schools, has said? He said quite simply this:

“The notion that the poor stand to benefit from the return of grammar schools strikes me as quite palpable tosh and nonsense”.

Is not all this proof that the Conservative party’s Green Paper addresses none of the actual crises facing our schools system: a real-terms cut in the schools budget; half a million pupils in supersize schools; a crisis in teacher recruitment and retention; a rising number of unqualified teachers in classrooms; and vital teaching assistants losing their jobs? Is this not a Government
heading backwards, to a failed segregation for the few
and second-class schooling for the many? Can we not
do better than this?

The Prime Minister: The right hon. Gentleman has
got some of his facts wrong—plain and simple. We have
more teachers in our schools today than in 2010. We
have more teachers joining the profession than leaving
it. We have fewer pupils in supersize classes than there
have been previously. I simply say this to him: he has
opposed every measure that we have introduced to
improve the quality of education in this country. He has
opposed measures that increase parental choice, measures
that increase the freedom of head teachers to run their
schools, and the opportunity for people to set up free
schools. Those are all changes that are leading to
improvements in our education system, and we will
build on them with our new policies.

I recognise that this may very well be the last time
that the right hon. Gentleman has an opportunity to
face me across the Dispatch Box—certainly if his MPs
have anything to do with it. I accept that he and I do not
agree on everything—well, we probably do not agree on
anything—but I must say that he has made his mark.
Let us think of some of the things he has introduced.
He wants coal mines without mining them, submarines
without sailing them, and he wants to be Labour leader
without leading them. One thing we know is that whoever
is Labour leader after the leadership election, it will be
the country that loses.

Several hon. Members rose—

Mr Speaker: Order. May I just point out to the House
that progress today at this Question Time session has
been absurdly slow? I ask the House on behalf of our
constituents to show some respect for those colleagues
who want to question the Prime Minister, and I am
determined to get down the list. I call Craig Williams.

Q3. [906341] Craig Williams (Cardiff North) (Con): Students from Cardiff schools and UK schools
attended the recording of the British holocaust survivors giving their testimony for future generations.
It was a deeply moving experience for them and a stark reminder to us to fight racism, anti-Semitism and
hatred in all forms. As part of this vital education effort, of which I know my right hon. Friend is a great
supporter, is the establishment of a national memorial to the holocaust. Will she update us now on the next
stage?

The Prime Minister: I am grateful to my hon. Friend
for his comments. He is absolutely right that we need to
ensure that we never forget the horrors of the holocaust
and the lessons that must be learned from that. It is
right that we have agreed to this national memorial next
to Parliament on Victoria Gardens, which is an important
place for it to be. My right hon. Friend the Secretary of
State for Communities and Local Government will
today launch an international competition for the design
of that memorial. The design may include a learning
centre, which will ensure that there will be opportunities
for young people and others truly to learn the lessons
from the holocaust and to learn about the appalling
atrocities that took place.

Angus Robertson (Moray) (SNP): Last week, the Prime
Minister was unwilling or unable to give any assurances
about remaining in the single European market. Today,
she has been unwilling or unable to give any assurances
to the financial sector about protecting the passporting
of financial services. Meanwhile, millions of people
from across the United Kingdom depend on freedom of
movement across the EU for business and for pleasure.
They face the prospect of having to apply and possibly
pay for visas. Is the Prime Minister in favour of protecting
visa-free travel—yes, or no?

The Prime Minister: There was a very clear message
from the British people at the time of the referendum
vote on 23 June that they wanted to see an end to free
movement as it operated and control of the movement
of people from the European Union into the UK, and
that is what we will deliver.

Angus Robertson: The Prime Minister and the UK
Government are totally unwilling to tell us the true cost
of Brexit and what their negotiating position will be. In
contrast, there is a different tune from the European
Union. The new EU negotiator, Guy Verhofstadt, has
said:

“It’s wrong that Scotland might be taken out of the EU when it
voted to stay.”

Does she agree with Mr Verhofstadt and the Scottish
Government who want to protect Scotland’s place in
Europe?

The Prime Minister: It is all very well for the right
hon. Gentleman to ask that question, but only two
years ago he did not want to protect Scotland’s place in
the European Union, because he wanted Scotland to
leave the UK. On all of those questions, whether it is on
the referendum for leaving the European Union, the
referendum on independence in Scotland, or those in
this House, he seems to think that if he asks the question
all the time, he will get a different answer. Well, it will
not work for me and it will not work for the Scottish
people.

Q4. [906342] Victoria Atkins (Louth and Horncastle)
(Con): Freedom of speech is a fundamental British
value, which is undermined by so-called safe spaces in
our universities, where a sense of righteous entitlement
among a minority of students means that their wish
not to be offended shuts down debate. As students
around the country return to their places of learning at
the start of this new academic year, does my right hon.
Friend agree that university is precisely the place for
lively debate, and that fear of being offended must not
trump freedom of speech?

The Prime Minister: I absolutely agree with my hon.
Friend. We want our universities not just to be places of
learning, but to be places where there can be open
debate which is challenged and people can get involved
in that. I think everybody is finding this concept of safe
spaces quite extraordinary. We want to see that innovation
of thought taking place in our universities; that is how
we develop as a country, as a society and as an economy,
and I absolutely agree with my hon. Friend.

Q5. [906343] Owen Thompson (Midlothian) (SNP): Nine-year-old Mohammed is one of thousands of child
refugees alone in Syria. His parents fled the country
belonging he was dead and have resettled in my constituency. In March, Mohammed was identified as being alive, but has since been kidnapped, badly beaten and left for dead, before being found again. He now lives in fear of daily attacks or sexual violence and assault. Will the Prime Minister agree to meet me urgently to review the steps the Government could take to reunite Mohammed with his devastated family and provide him with the support required to overcome his ordeal?

The Prime Minister: Obviously, I am not as aware of the details of the individual case as the hon. Gentleman is. The Home Secretary has heard him, and if he would like to write to her with the details, I am sure this case will be looked at. Of course, there are rules that do enable family reunion to take place, and we as a country have committed to take a number of children who are particularly vulnerable—potentially vulnerable—to sexual violence from the region around Syria to ensure that we can resettle them in the UK and take them out of that fear that they are experiencing. But my right hon. Friend the Home Secretary will look at the case if he cares to write to her.

Q8. [906346] Mr John Baron (Basildon and Billericay) (Con): What assurance can my right hon. Friend give that, whatever criteria come to guide our immigration system, it will be fairer than the present system—it will no longer discriminate against peoples from outside the EU, as the present system does?

The Prime Minister: As I mentioned earlier in response to a question, one aspect of the vote on 23 June was that people want us to control movement from the European Union into the UK, and, of course, we are already able to control movement from outside the European Union into the United Kingdom. The details of the system we will introduce for EU citizens are currently being worked on, but I can assure my hon. Friend that we will have the ability to control movement from the EU and movement from outside the EU, and therefore bring that greater degree of fairness that I think people were looking for.

Q6. [906344] Mr David Winnick (Walsall North) (Lab): How can the Prime Minister try to justify reducing the House of Commons to 600 Members, while the House of Lords now has 820 Members and, certainly by 2020, will have even more? Is this her idea of democracy in the 21st century?

The Prime Minister: Of course, the House of Commons voted for that reduction in the number of Members of Parliament—I think people wanted to see that. I would gently remind him that, when he refers to the House of Lords and changes in the House of Lords, it is actually this Government who have introduced the retirement procedures for the House of Lords that have seen a reduction in the number of Members of the House of Lords.

Q9. [906347] Lucy Frazer (South East Cambridgeshire) (Con): The NHS “Five Year Forward View” states that, in future, we will see more care delivered locally. Does the Prime Minister think that, in line with that, the Cambridgeshire and Peterborough clinical commissioning group ought to consider the importance of local care when assessing the future of the Princess of Wales minor injuries unit in Ely?

The Prime Minister: My hon. Friend is right: the five-year plan does include that proposal for more local input in care at a local level. It is absolutely right that in looking at, for example, the future of minor injuries units, local people are considered and local concerns taken into account. I understand that there is due to be a meeting in Ely later this month to consider this. I hope that she and her constituents will be able to make their views known at that meeting.

Q7. [906345] Richard Burden (Birmingham, Northfield) (Lab): Tomorrow I will be helping to launch a programme at the engineering company ADI Group in my constituency to boost the interest of 14 to 16-year-olds in engineering skills. No doubt the Prime Minister would like to join me in congratulating ADI Group, but will she take it from me that her words of congratulation would mean rather more if they were not accompanied by cuts of between 30% and 50% in apprenticeships funding—a programme that the Institute of the Motor Industry has described as a “car crash”?

The Prime Minister: I am of course happy to commend the company that the hon. Gentleman has referred to. Of course, the west midlands is an important driver in terms of engineering skills in this country. But I simply do not recognise the situation that he has set out in relation to apprenticeships. We have seen 2 million apprenticeships created over the last six years, and we are committed as a Government to seeing more apprenticeships being created. That is giving young people, like the young people I met when I went to Jaguar Land Rover, opportunities to learn a skill to get into a job, to get into the workplace, and to get on where their talents will take them.

Q10. [906348] Fiona Bruce (Congleton) (Con): Does the Prime Minister agree that the life chances of many children, particularly those in our poorest areas, are limited through living in chaotic and unstable households? Will she kindly look at the report recently produced by the all-party parliamentary group on children’s centres, which recommends family hubs in local communities and other solutions to this issue, with a view to considering this further?

The Prime Minister: I commend my hon. Friend for the work that she is doing in the all-party parliamentary group. The stable family background that young people are brought up in is obviously important, and she has been a champion for families and for family life. I have set up a policy group led by my hon. Friend the Member for Mid Norfolk (George Freeman). I will ask him to look very carefully at the report that has come out of the all-party parliamentary group to see what we can take from it.

Q11. [906349] Alex Cunningham (Stockton North) (Lab): On Monday, the parliamentary advisory group on carbon capture and storage published a report about the potential of CCS to create thousands of jobs, save the country billions of pounds, and play a major role in meeting the UK’s emission reduction targets. CCS is critical to
The Prime Minister: The issues of climate change, reducing emissions, and our energy policy are very important to this Government. We have a fine record in this area, and we will be continuing with that. The issue of carbon capture and storage has been looked at carefully in the past. One of the key issues is the cost. We will continue to invest in the development of CCS. We are investing over £130 million to develop the technology, through innovation support, with the aim of reducing its costs, and so we will continue to look at the role that it can play.

Q13. [906351] Mary Robinson (Cheadle) (Con): As a governor at Nevill Road Infant School in Bramhall, I know that schools have to make the best use of their resources. I was therefore shocked to learn that schools in the north-west are charged £27 million for their water. Does the Prime Minister agree that schools are important community hubs? Will the Government make representations to Ofwat to change the banding guidance so that schools are considered to be community assets rather than classified in the same way as big business?

The Prime Minister: I commend my hon. Friend and others in this House who play a role as school governors—a very important role. She is right that schools need to think carefully about how they are using their resources. The approach taken by water companies does vary. However, we are looking at the guidance to water companies in relation to how they can deal with schools and whether they could be looking at using more concessionary rates for schools.

Q12. [906350] Tom Elliott (Fermanagh and South Tyrone) (UUP): The Prime Minister may be aware of last week’s BBC “Spotlight” programme on serious allegations of corruption and fraud around the National Asset Management Agency’s sale of properties in Northern Ireland. Will she confirm which agencies will be investigating them, whether the National Crime Agency will be involved, and whether a report will be published in due course?

The Prime Minister: On the specific issue raised by the hon. Gentleman, I will come back to him on the details. As he knows, the National Crime Agency operates in Northern Ireland on a slightly different basis from that on which it operates elsewhere across the United Kingdom. Where issues are being looked into, it will be necessary to ensure that the appropriate skills and capabilities are brought to bear. If I may, I will write to him with a detailed answer to his question.

Mrs Theresa Villiers (Chipping Barnet) (Con): Will the Prime Minister give her full and enthusiastic support to President Anastasiades and Mustafa Akinci as they reach a crucial stage of their negotiations, which we hope will deliver a negotiated settlement for a free and united Cyprus?

The Prime Minister: I am happy to join my right hon. Friend in doing that. It is important. I think that everybody across this House will wish those talks well and hope that they will have a successful conclusion.

Q14. [906352] Lisa Nandy (Wigan) (Lab): It has been two years since the Prime Minister set up the child abuse inquiry, which is now on to its fourth chair, and last week the outgoing chair said that it had become inherently unmanageable. Given that the Prime Minister appointed Dame Lowell Goddard to her position, will she insist that she come before this House to explain herself? Surely child abuse survivors deserve an explanation.

The Prime Minister: On the process point, it is not for the Prime Minister to insist who attends before a Committee of this House. I understand that Dame Lowell Goddard has been invited to attend the Committee. I think that the hon. Lady and I share, as do many hon. Members across this House, a desire to see the issues of these appalling crimes of child abuse being properly looked into. That is important. Dame Lowell Goddard has set up the inquiry and the truth project. Many aspects of it are already in place and operating, and I am very pleased that Alexis Jay has taken on the role of chairman of the inquiry. She chaired the Rotherham work, and I think that she will do this work extremely well and we will have answers to questions that so many have been asking for so long.

Lucy Allan (Telford) (Con): Child sexual exploitation is an issue that affects many communities. Does the Prime Minister agree that shining a light on the events of the past is the best way to learn lessons for the future, and will she agree to an independent review of child sexual exploitation in Telford?

The Prime Minister: My hon. Friend has just shown the cross-party concern that there is on the issue of child abuse and child sexual exploitation. It is absolutely right, as she says, that we are able to look into the abuses and crimes of the past. We will need to learn important lessons from that as to why institutions that were supposed to protect children failed to do so. It is for the authorities in Telford to look specifically at how they wish to address those issues in Telford, but I am sure that my right hon. Friend the Home Secretary has heard my hon. Friend’s comments and that she will want to take that up with her.

Q15. [906353] Diana Johnson (Kingston upon Hull North) (Lab): Following the successful Hillsborough independent panel, will the Prime Minister consider setting up a similar review of the biggest treatment disaster in the history of the NHS, namely the contaminated blood scandal? Victims are still waiting for answers and justice 35 years on.

The Prime Minister: The hon. Lady obviously raises a very important point in relation to contaminated blood. I will take it away and consider it. Obviously, she will know the reasons and background that led to the Hillsborough independent panel, but I recognise people’s concerns about contaminated blood and will consider the point that she has made.

Mr Shailesh Vara (North West Cambridgeshire) (Con): The Prime Minister will be aware of coverage regarding a report to be published by Dame Louise Casey, the Government’s integration tsar. The report will speak of British laws, culture, values and traditions, such as Christmas, being threatened by political correctness
Will the Prime Minister take this opportunity to send a loud and clear message that the best way to secure a harmonious society is not only for mainstream Britain to respect minority traditions, such as Diwali, Vaisakhi and Eid, but for council officials to appreciate that minority communities should respect the views and traditions of mainstream Britain, which means that Christmas is not “Winterval” and that Christmas trees are not “festive” trees?

The Prime Minister: I agree with my hon. Friend. I will not comment on or pre-empt the findings of Louise Casey’s review, which is an important piece of work. I will simply join my hon. Friend by saying that what we want to see in our society is tolerance and understanding. We want minority communities to be able to recognise and stand up for their traditions, but we also want to be able to stand up for our traditions generally, and that includes Christmas.

Mr Nigel Dodds (Belfast North) (DUP): Will the Prime Minister look carefully at the calls from the Royal British Legion and Poppyscotland for new questions to be added to the next census so that we can better meet the needs of our serving personnel in the armed forces, our veterans and their families? In relation to Northern Ireland, where such a massive contribution is made to the armed forces through recruitment and service, will she look carefully at the distribution of funding under the armed forces covenant so that there is equitable funding across all regions and countries of the United Kingdom?

The Prime Minister: Of course, I am pleased that it was this Government who introduced the military covenant, and who have recognised the importance of that bond and that link with those who are serving in our armed forces and with veterans of our armed forces. I have not seen the specific request from the Royal British Legion and Poppyscotland, but that will certainly be looked at by the Cabinet Office when considering the next census.

David Tredinnick (Bosworth) (Con): Does the Prime Minister agree that the co-operation between Russia and the United States in respect of Aleppo sets a very important precedent, and that it is in the British national interest to redevelop our links with Russia? We may then be able to solve many more problems in that region.

The Prime Minister: My hon. Friend is right that the agreement that has been reached between Russia and the United States about Syria is an important agreement, and I think everybody in this House will want to see that being put into practice and working on the ground. There have been a number of occasions when we have seen what appear to be steps forward, and sadly it has not been possible to implement them, but I hope that it will be different this time. It would mark an important step. We should have no doubt about the relationship that we should have with Russia. It is not a business as usual relationship. I made that very clear when I was responding to the report on the murder of Litvinenko, and we should continue with that position.

Mr George Howarth (Knowsley) (Lab): May I join my right hon. Friend the Leader of the Opposition, the Prime Minister and Jane Kennedy, the police and crime commissioner on Merseyside, in commending the tremendous bravery of the police officers involved in the stabbing incident in my constituency yesterday, who nevertheless apprehended the suspect? Will the Prime Minister acknowledge that, often in very dangerous circumstances, the police are being asked to do more and more with fewer and fewer resources?

The Prime Minister: I join the right hon. Gentleman in recognising once again the work of the individual police constable—[Interruption.] I apologise—the three police constables who apprehended the suspect while being under attack. As I said earlier, our police officers bravely go where others would not go in order to protect the public. They do so much in the line of duty and, for some, when they are off duty as well. They are prepared to go and face danger in order to protect us.

On the issue of resources, I remind the right hon. Gentleman that we have protected police budgets over the period of the comprehensive spending review settlement, in the face of a proposal from his Front Benchers that we should cut them by 5% to 10%.
Speaker’s Statement

12.45 pm

Mr Speaker: Order. I had hoped to be able to announce today the timetable for the elections to vacant Chairs of Select Committees. It is my understanding—I may, of course, be wrong—that discussions on these matters in the usual channels have concluded, but the Government have still to table the various motions required. I very much hope that they will be tabled very soon. It may be helpful to Members to know that if the House agrees to those motions, it is my fervent hope and expectation that this House has the opportunity to set up Select Committees to scrutinise the Government. But as they are having some sort of trouble, is there any possibility that we can do something in this House to ensure that it happens before we go into recess? It would be really useful if we could have the election on the day that you specified, because that is my birthday.

Mr Speaker: It seemed to me, I must say to the House, that there was very good reason to make expeditious progress on this matter in any case. I am sure that there was absolutely no hint of underlying sarcasm in the hon. Gentleman’s observation when he expressed the confident expectation that the Whips on both sides would want to make progress in the establishment of the new Committee and in the election of the vacant Chairs of all the Committees, because of course they will want the Government to be subject to proper and thorough scrutiny. There is very good reason to proceed expeditiously anyway, but the fact that 19 October is also the hon. Gentleman’s birthday provides an added incentive.

The hon. Gentleman asks what can be done. The short answer, as I think he knows, is that I am doing what I can, not very subtly, to indicate that the usual channels really ought to progress this matter sooner rather than later. So far as I am concerned, that means by tomorrow. I hope we are clear.

Stephen Doughty: Further to that point of order, Mr Speaker. Thank you for allowing me to raise this point at this stage. I add my best wishes to Michael, and to Saira as she takes up her new role.

With the changes to the Select Committees, the old Business, Innovation and Skills Committee will probably change to a new Business, Energy and Industrial Strategy Committee. As you will be aware, Mr Speaker, the BIS Committee is one of the constituent Committees of the Committees on Arms Export Controls. Is it your view that the new Committee will take over the role of the old BIS Committee as one of the constituent Committees, and that it would not be correct, as has been suggested in some quarters, for a new International Trade Committee to take over sole responsibility for scrutinising our arms exports controls?

Mr Speaker: It has to be said that the hon. Gentleman is an ingenuous fellow, and he has regularly demonstrated his ingenuity since his election to the House. I do not blame him for seeking to shoehorn in his current preoccupation when we are discussing the timetable for elections to the vacant Chairs of Committees. However, the proper answer for me to give him is that it is not a matter for the Chair. It will be a matter for the Committee concerned to decide. If the hon. Gentleman were afflicted with a sudden bout of self-doubt or reticence, causing him to be reluctant or unable to express his view on this matter, I would be concerned, but he will not be, and therefore I am not.

Kevin Brennan (Cardiff West) (Lab): Further to that point of order, Mr Speaker. I notice that the Leader of the House is in his place. Would it be in order, for the benefit of the House, for him to rise at the Dispatch Box and put the House out of its misery on the Government’s plan for the dates of the election of Select Committee Chairs?
Mr Speaker: The Leader of the House is not under any such obligation. It has to be said that normally—I speak with some authority on this matter, as I have known him for 30 years, and we have been next-door constituency neighbours for the best part of 20 years—he is the most accommodating of colleagues.

The Leader of the House of Commons (Mr David Lidington) rose—

Mr Speaker: I have a feeling that the right hon. Gentleman is about to prove the point.

Mr Lidington: Further to that point of order, Mr Speaker. If it will help the House, let me say that, as you rightly said, agreement was reached through the usual channels earlier this week about the reconstitution of Select Committees following the changes to Departments. It was clearly right for us to seek full cross-party endorsement for the changes, and that has now been obtained. I have therefore given instructions for the necessary resolutions and changes to Standing Orders to be drafted immediately, and we shall certainly table them as rapidly as we can get them to the House authorities.

Mr Speaker: I think that is very encouraging. I do not want to embarrass the right hon. Gentleman, but may I just say that he is in some danger, if he is not careful, of being held aloft by Members from all parts of the House? We will leave the matter there for now. I thank the Leader of the House for what he has said, which is encouraging.

Rebecca Long Bailey (Salford and Eccles) (Lab) (Urgent Question): To ask the Chancellor of the Exchequer if he will make a statement on Concentrix’s activities in relation to tax credit investigations made on behalf of Her Majesty’s Revenue and Customs.

The Financial Secretary to the Treasury (Jane Ellison): I want to be very clear: the Government recognise the importance of tax credits to individuals and families. We all recognise that it is important for this support to reach the people who really need it. That is why HMRC works hard to check that it is making the correct payments, and to tackle any fraudulent claims. We must acknowledge that error and fraud exist in the system, and should be addressed to ensure taxpayers’ money is spent correctly. As part of this work, HMRC engaged Synnex-Concentrix Ltd in 2014 to help check people’s eligibility. As a result, almost £300 million of incorrect payments have been avoided.

I want to reassure the House on two key points. First, Concentrix has been paid only for making the right decisions; it has not received payment for taking someone’s money away wrongly. Secondly, Concentrix has not been allowed to engage in fishing expeditions or to pick on vulnerable claimants at random. Where there has been evidence to suggest a claim might not be correct, Concentrix has written to claimants to seek further information and confirm their eligibility. I realise—I know this as a constituency Member myself—that it can be stressful for someone to receive such a letter, but it is right that we investigate the full picture, with contributions from claimants themselves, to ensure we make the right payments. That is why both Concentrix and HMRC, where it does the same work, always send a letter and give claimants 30 days to provide information before taking any further action. It is important that people do indeed respond, and that they get in touch if they are struggling to respond to any of the questions.

Despite the best efforts of the staff manning the phones, Concentrix, with the high volume of calls in recent weeks, has not been providing the high levels of customer service that the public expect and which are required in its contract. HMRC has therefore given notice that this contract will not be renewed beyond its end date in May 2017. HMRC is also no longer passing new cases to Concentrix, but is instead working with it as a matter of urgency to improve the service it provides to claimants and to resolve outstanding cases. I can confirm to the House that 150 HMRC staff have been redeployed with immediate effect to help it to resolve any issues people are having with their claims as quickly as possible.

I realise that colleagues on both sides of the House are concerned to get difficult cases resolved and to assist vulnerable constituents appropriately. In addition to the extra resources I have mentioned, I have arranged a drop-in for Members in Room B, 1 Parliament Street between 9.30 and 11 am tomorrow, at which HMRC officials will be available to offer guidance to colleagues, should that be helpful.

Rebecca Long Bailey: I thank the Minister for her reply. Many hon. Members on both sides of the House have been contacted, as she has been, by distressed and
anxious constituents—often hard-working individuals who have had their tax credits cut unfairly, in many cases pushing them into extreme hardship. Although Labour Members certainly welcome the fact that HMRC has finally taken action by announcing that the Concentrix contract will not be renewed, it is most regrettable that the Government undertook such action only when events were dramatically exposed by the media and, indeed, by my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) and my right hon. Friend the Member for Birkenhead (Frank Field).

It remains the case that Synnex-Concentrix will be carrying out these services for another eight months. There is therefore a risk that, without radical amendments to the contract itself, service failures will continue. Of most concern is the fact that the payment model arguably creates a conflict of interest, as has been noted by the Social Security Advisory Committee. Will the Minister therefore confirm what arrangements she will make urgently to revise the contract to preserve justice for the claimants?

As the Minister stated, I understand that HMRC will redeploy 150 staff so that claimants can get through to advisers and resolve their claims. Will she confirm how the Government will monitor that? Will the Government now commit to an official investigation into Concentrix’s conduct since it was awarded the contract in 2014, so that we can determine how this situation was allowed to arise? Finally, has she given any consideration to the real prospect of bringing this service back in-house?

**Jane Ellison:** I will try to answer those questions, but it is worth commenting that this Government, and indeed their predecessors, inherited a very complicated system. In the long term, the right answer is to replace tax credits, as is our intention, because we were bequeathed an unnecessarily complex system. However, we must make the system work while it is in operation, and that is now the focus of our activities.

On HMRC’s decision about the contract, I want to reassure the House that monitoring has taken place regularly throughout the contract. Indeed, HMRC has worked closely with Concentrix. It is the case that, as has been documented, performance has not been good in recent weeks. That has clearly been noted, and we are now taking action on it.

On the contract going forward, as I mentioned in my response to the urgent question, Concentrix will focus on resolving outstanding claims, not opening new ones. In other words, it will deal with those already open in an orderly and appropriate manner. HMRC is putting in additional resource. In particular, I have asked it to focus on the difficult cases—there have been some high-profile examples in recent days—to ensure that we resolve them as quickly as possible so that all our vulnerable constituents are helped and supported.

That is the key focus as we go forward. There is no need to go into inquiries and so on. We have a contract that is monitored on a regular basis. It will not be renewed when it comes to an end in May next year. The focus for all of us in the coming days and weeks—and for me and for HMRC in particular—is on making sure that the outstanding cases are resolved, especially those of the most vulnerable, and that people have the money to which they are correctly entitled.

**Sir Desmond Swayne** (New Forest West) (Con): I have cases of women who have had their tax credits stopped because, they have been told, they are living with a man of whom they have never heard or, indeed, with the tenant of the property prior to them occupying it. Their benefits have been withdrawn. I am not sure that I need advice tomorrow morning in 1 Parliament Street—when, incidentally, the House is sitting. We need to know how quickly those cases can be reviewed.

**Jane Ellison:** I quite understand my right hon. Friend’s point. The drop-in is there as a facility should Members wish to use it, but it is not an alternative to the HMRC lines already in place. We encourage anyone affected to call the HMRC number on the letters they have received. We are putting significant additional resources into those helplines, with immediate effect, to make sure we can resolve the situation. I am reassured—although obviously I will be talking to HMRC consistently about this—that as soon as the facts of a case are resolved we can get money into people’s accounts in a short number of days.

**Stewart Hosie** (Dundee East) (SNP): I am delighted that the Concentrix contract is not to be renewed. It will come as some comfort, at least, to those who have been affected by its activity. That contract was designed to save £1 billion in fraud and overpayment. The Minister tells us some £300 million has been saved. How much of those so-called savings was as a result of false accusations by Concentrix against tax credit recipients? If somewhere between 120 and perhaps many thousands of people were affected, why was the contract not cancelled sooner? The cost of the contract was reputed to be some £75 million. How much do the Government intend to claw back to directly compensate those affected? The Minister tells us, and I am pleased to hear, that HMRC civil servants have been drafted in to clean up the mess, but how much will that cost the taxpayer in additional pay, and will the Government be seeking payment from Concentrix to fund that remedial action?

**Jane Ellison:** I am not able to respond immediately from the Dispatch Box to one or two of the points raised by the hon. Gentleman. My clear priority and that of HMRC at the moment is to make sure that we resolve the outstanding cases, and in particular the difficult cases for vulnerable constituents. We will then turn our mind to some of the other points that he made. We are not renewing the contract, but we intend to continue to bear down on error and fraud. That is important, as there is a lot in the system, but we have had a great deal of success in recent years in reducing it—the amount of fraud in the system has halved from £800 million to £400 million. We need to continue to bear down on that, because money that is fraudulently obtained is money that is not available to taxpayers. It remains vital that we address that matter. But for the moment, my primary consideration is resolving the difficult cases to make sure that we look after our most vulnerable citizens.

**Stephen McPartland** (Stevenage) (Con): I am a big fan of supporting those people who are trying very hard to get on in life and who depend on tax credits. One of my concerns is that over the next eight months those people will still be dealt with by Concentrix and will still...
have that fear of being falsely accused and prosecuted, almost, as they go forward. What reassurance can the Minister give that those people will be looked after, and will HMRC carry on with the contract in the future or will it issue it for new tender?

Jane Ellison: I have laid out the arrangements we are putting in place. The contract ends next spring. In the meantime, HMRC will support Concentrix on the outstanding cases—in particular, looking at more complex cases and supporting back-office functions while Concentrix staff focus on resolving already open cases. It is important to have a bit of perspective. Concentrix has assisted the Government and, indeed, the taxpayer in correctly identifying a lot of claims as either erroneous or fraudulent. It is important to keep the matter in perspective, but HMRC has made clear its operational intention not to continue the contract beyond the spring.

Louise Haigh (Sheffield, Heeley) (Lab): I thank the Minister and HMRC for reacting so quickly to issues and concerns raised in the House, but several questions remain. What estimate has been made of the current backlog needing to be dealt with by Concentrix and HMRC? How should those people currently being dealt with contact Concentrix—through the current helpline or by contacting HMRC directly? Why were these appalling failures not acted on before they were revealed in parliamentary questions, if HMRC was monitoring the contract so closely? Will HMRC bring the contract back in-house in May next year? Will the Minister today commit to a review of all payment-results contracts, which are completely inappropriate in our welfare system?

Jane Ellison: I am aware that the hon. Lady has been very active on this—she has asked a number of parliamentary questions and has shown considerable interest in the issue. It is important to note, and the performance figures support this, that it is only really in recent weeks that performance has not been acceptable. It is not that this has been an acute problem for a considerable length of time. However, performance has not been acceptable in recent weeks.

People should contact the number on the letters they have received. I am aware that there have been problems getting through on the phone in recent weeks, and have tested it out for myself. We are putting in additional resources to allow Concentrix to focus on answering the phones and dealing with outstanding cases while additional HMRC staff resolve some of the back-office issues and some of the complexities, so that people can focus on the immediate issue.

Some more mandatory considerations are coming in, but we think there are around 2,500 cases in the system still to be dealt with at the moment. We expect more to come in because it is that time of year, after people who have not supplied additional information as they were requested to have seen their tax credits stopped. We feel that, with that additional resource, we can resolve that quickly, and that is my focus.

Bob Blackman (Harrow East) (Con): Now that the position is that Concentrix is not going to deal with any new claims or cases, will my hon. Friend clarify for the House who, from HMRC or wherever, will deal with claims of errors, fraud and other problems, so that we send a strong signal to people that that will not be acceptable and that we want to see genuine claimants compensated for losing money that they need?

Jane Ellison: I reassure my hon. Friend that it has always been the case that both Concentrix and HMRC were pursuing matters of error and fraud; it was not the case that only Concentrix was doing so. HMRC will continue to pursue error and fraud cases. In recent years the Government have put additional resource into supporting HMRC’s work on general tax avoidance and evasion, and compliance.

Frank Field (Birkenhead) (Lab): I thank the Minister for her statement and draw the House’s attention to how different that response was from those of the previous Government; I do not believe that we would have had today’s statement had there not been a leadership change, so I thank her for that. Will she pass on my thanks to her colleague, the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stourbridge (Margot James), for the immediate action she took on the report I submitted on Hermes, whose unlawful use of self-employment HMRC has been asked to investigate?

I have two questions. The worry about this contractor is that to some people it appears to be cutting benefits first and asking questions afterwards, and there is no mechanism for a hotline for MPs to try to sort such issues out. Although I very much welcome her bringing the contract back in-house, it is the only contract that has ever been put in place that has allowed a private company to make decisions about people’s benefit levels, so might she review that?

Mr Speaker: It is quite cheeky of the right hon. Gentleman to ask two questions and to declare so openly his intention to do so, although it is perhaps not quite as cheeky as the hon. Member for Sheffield, Heeley (Louise Haigh), who asked five questions without making any such explicit declaration at all.

Jane Ellison: I thank the right hon. Gentleman for his comments on the priority given to resolving problems of this nature. It is worth reiterating that, through the contract, we have secured more than £280 million of identified savings in terms of error and fraud. There continues to be considerable fraud, particularly with regard to whether people live singularly in a household. It is important to recognise that the contract has brought important benefits to the taxpayer.

I recognise the right hon. Gentleman’s challenge on the nature of the contract. Such contracts have their place, but they must work appropriately. The contract must work to do the thing it set out to do, but it must at all times work for taxpayers and, above all, for the vulnerable. I will reflect on his wider point if I may, but I give him reassurance on that general point.

Craig Mackinlay (South Thanet) (Con): All hon. Members will have received a deluge recently of harrowing cases of people who have had calls from and interaction with Concentrix. They were unsure at first whether the company existed and whether they had received a scam letter, which we see far too often. There has been a poor
delay in opening post, and getting through on the telephone has been next to impossible. That service level is unacceptable in the public sector. Will the Minister confirm that her very strong announcement today, which is welcome, shows that the Government are committed to helping the vulnerable immediately and accurately?

Jane Ellison: I hope we have shown that. We have important contracts across the Government with people to provide services, but clearly they need to be provided to an acceptable standard. The decision is not to renew the contract. In taking that decision, HMRC has clearly taken into account operational performance. The focus for all of us—Ministers, HMRC and individual Members acting in their constituency capacities—is to ensure that our most vulnerable constituents are supported as soon as possible to ensure that the money to which they are correctly entitled hits their bank accounts and they do not have the stress of wondering where the money will come from.

Mr Nigel Dodds (Belfast North) (DUP): All of us as constituency Members of Parliament can relay stories of how the service contract has worked and been deplorable, but on the jobs that will be lost—some of them are in Belfast—will the Minister tell us what contact she has had with the Northern Ireland Executive, or what contact HMRC has had with the relevant devolved Administrations or regions, about the effect on jobs? What will be done to give support to those who will lose their jobs?

Jane Ellison: It is important to note that the decision has been taken by HMRC not to renew the contract. To that extent, the decision for a private company such as Concentrix on what it does beyond that point is clearly a matter for the company. If the right hon. Gentleman has concerns of that nature, colleagues in the territorial office and the Department for Business, Energy and Industrial Strategy will be happy to talk to him in the normal way. It is important to stress that this is not a decision to end a contract here and now, but a decision not to renew it in the spring.

David Rutley (Macclesfield) (Con): I welcome the steps the Government have taken to protect the vulnerable in this situation. Will my hon. Friend assure the House that the lessons learned in this case will apply not only in this situation. Will my hon. Friend assure the House that the lessons learned in this case will apply not only in this situation?

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David Rutley (Macclesfield) (Con): I welcome the steps the Government have taken to protect the vulnerable in this situation. Will my hon. Friend assure the House that the lessons learned in this case will apply not only to the contract when it is retendered in May, but across Government contracts more widely?

Jane Ellison: I hope I can give that reassurance for the future. To date, it has always been the case that, when the Government contract a supplier to provide a service, it should be provided to the right standard, and that contracts are monitored and we ensure that service levels are acceptable to Members and their constituents.

Helen Jones (Warrington North) (Lab): Despite what the Minister has said, I have constituents who have had their tax credits cut off with no prior notification, and who have spent up to 70 minutes on the phone trying to get through, which is a huge drain on their resources. Will she tell us whether the contract included penalties for Concentrix if it did not provide an acceptable service level or answer calls within a set time? If not, who will take the responsibility for negotiating such a flawed contract?

Jane Ellison: Waiting 70 minutes to have a call answered is clearly not acceptable. I can imagine the distress that would cause somebody trying to get through. If you will forgive me, Mr Speaker, and if the hon. Lady will let me, I will write to her about the points she made about the contract—I do not have that detail to hand, and I need to assess what we can say given commercial confidentiality. If I can give her the answers she seeks, I will do so, but I will write to her if that is acceptable.

Robert Jenrick (Newark) (Con): The National Audit Office found that the Concentrix contract delivered savings of £500,000 in 2014-15 compared with the original estimate of £285 million. It was expected to deliver at best half the original savings planned in the contract. As we have heard, and as we have learned from our constituency postbags, there were a large number of errors in the process. What more can the Government do to improve the tendering process in future, particularly at HMRC, and to improve the managerial capability at HMRC, so that we do not have such mistakes in future?

Jane Ellison: This is a payment-by-results contract. As I said in my response to the hon. Member for Salford and Eccles (Rebecca Long Bailey) at the outset, Concentrix will not be paid when it has not acted appropriately and when it has not got a result. It is important that we get these things right and I take my hon. Friend’s point. I reassure him that HMRC, and indeed Ministers, will always seek to get the right contracts. Clearly, when there are lessons to be learned, we must reflect on them and ensure that they are reflected in future arrangements.

Greg Mulholland (Leeds North West) (LD): Last week in evidence to the Institute for Government, the former Work and Pensions Secretary, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), admitted that outsourcing to the private sector was not a panacea. Surely after the Concentrix contract fiasco it is time for full review of outsourcing to private companies in the welfare system. Is it not time to look at what outsourcing is appropriate at all or, if it is to continue, at what better civil service oversight provision is needed to ensure that this sort of thing never happens again?

Jane Ellison: I again urge hon. Members to keep a degree of perspective. Many contracts deliver what we want. It is worth noting that the Concentrix contract delivered more than £280 million in savings to the taxpayer, which represents a sensible return on that investment. I have said what I have said about service levels— they must be acceptable and to the standard we have contracted for—and there are circumstances in which the use of private companies offers a cost-effective way to get something that the Government might not otherwise have, which could mean flexible capacity or the capacity to do something for an uncertain period.

Sometimes, the flexibility that such contracts offer makes it easier than doing something in-house. I take the hon. Gentleman’s points and will reflect on them but I do not draw the same general conclusion as he does.
Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Minister's statement and concur with the excellent point made by my right hon. Friend the Member for New Forest West (Sir Desmond Swayne). The Minister will know that genuine errors are made by constituents and HMRC. Going by one's casework and constituency surgeries, it seems that sometimes full compassion is not shown by HMRC when looking at the circumstances when a genuine error is made. Can we ensure that that is done in those difficult circumstances for those who are most vulnerable and in need?

Jane Ellison: I have had the same experience as my hon. Friend. Only last week in a constituency surgery, I sat with a constituent who had a complex case and who was in a very difficult situation. Obviously, we can take up cases on behalf of constituents, but when constituents ring HMRC, it is important that they explain their circumstances. HMRC will make every effort to resolve the situation quickly. It is very aware of the need to get people sorted out and get money into their bank account, as appropriate, quickly, but I will re-emphasise that—as the House can imagine, I have discussed the issue in recent days—the interest in this urgent question and the points being made on both sides of the House will be seen and heard where they need to be.

Ian Murray (Edinburgh South) (Lab): A significant number of my constituents have been left financially disadvantaged as a result of the antics and processes at Concentrix. Can the Minister assure the House that, while the priority is to resolve those cases urgently, she will look seriously into fining the company and using those resources to compensate my constituents for the financial distress they have suffered?

Jane Ellison: To reiterate what I said earlier, I will ask HMRC to advise me on the nature of the contractual arrangements. Again, it might be better if I wrote to the hon. Gentleman on that.

Kevin Foster (Torbay) (Con): As a constituency MP who has dealt with a number of cases, I am pleased to note the action the Government have taken. That said, as a member of the Public Accounts Committee I have also sat through numerous reports on the quality of service HMRC provides, which is at times hardly of gold standard. What reassurance does the Minister have that, with HMRC picking up some of this work, we will not see a drop-off in the standard of services elsewhere and in future arrangements?

Jane Ellison: I do not believe that that will be the case. HMRC has been dealing with cases at the same time as Concentrix throughout the period of the contract. I have been assured that the 150 additional staff deployed with immediate effect will be focused on this. I have no reason to believe that any other services will suffer. My hon. Friend's point is well made and will be re-emphasised to HMRC.

Alison Thewliss (Glasgow Central) (SNP): I am glad to hear that the Concentrix contract is ending but, as the Minister said, it will still be dealing with ongoing casework. Will she personally intervene to help a constituent of mine who was plunged into £1,300 of debt through the incompetence of Concentrix? It failed to process the annual review and refused to acknowledge any of my correspondence. Will she take up this case?

Jane Ellison: Of course. If any Member wishes to write to me, I will ask HMRC to look at it as a matter of priority. The hon. Lady may not be around tomorrow morning, but there is an opportunity, if she or any other Member wants to bring a complex case, to go to the drop-in where HMRC officials will be available. If she would like to write to me, I will of course look at the case.

Mr Jim Cunningham (Coventry South) (Lab): I first raised this issue last January. It has taken about eight months to get to this situation. The issue, which had been going on for weeks, related to a family who did not have any income over the Christmas period. Why does it take a BBC programme to bring Ministers to the Dispatch Box? On Monday, a member of my staff was given the run-around by HMRC and Concentrix because nobody would take responsibility. My constituents have spent hours on this. To involve the private sector in such a sensitive and humane issue does not work.

Jane Ellison: I am sorry to hear that the hon. Gentleman had that difficult experience. I cannot agree with his general point about there being no role for the private sector in this regard. I refer again to the amount of money that has been saved for the taxpayer. There is a lot of error and fraud in the system, and it is important that we bear down on that. We do not want money to go to people for whom it is not appropriate, in particular in relation to the nature of people's households. Much of the fraud does rest in that area. As he highlights, this is a particularly difficult and sensitive area to investigate, but we need to continue to investigate it because the amount of fraud in the area of tax credits is considerable.

Mark Durkan (Foyle) (SDLP): We can all share the stories of our constituents' anguish and the frustration for our offices in dealing with this debacle, but we should remember that HMRC is itself not an innocent agent. It designed the contract. It put customer hostility and suspicion into the contract, and into the standards of performance and practice. It was, of course, HMRC that provided the names targeted by Concentrix. This has happened against a backdrop of the Government persistently running down the capacity and character of HMRC. Will some of those bigger policy misguidances also be looked at, as well as the enjoyment we are all having today in scapegoating Concentrix itself?

Jane Ellison: I return to the answer I gave a moment ago. We need to continue to bear down on fraud in the system. There is a considerable amount of error and fraud. I am afraid it would be naïve to think that all of this is error. There is fraud in the system and there is a lot of error, which the original design of tax credits makes easier. We need to continue to bear down on fraud, but clearly we need to do that in a way that does not make it difficult to assist the most vulnerable.

Sue Hayman (Workington) (Lab): The Minister has mentioned fraud a number of times. There is obviously fraud in the system, but I really do not see that as an excuse for errors and failures that affect our constituents.
My constituent Sarah Hodgson has three young children and is struggling to put food on the table. There is no excuse for incompetent contractors. I am glad the Minister talks about the redeployment of HMRC staff to support people. The HMRC office in my constituency, which employs over 200 people, is due for closure. Our nearest regional office is more than two hours’ drive away and the phone system is clearly not working: it is not helping people with their inquiries. Will she please review the closure of our local offices, so that people can keep the support and the face-to-face contact they need in these situations?

Jane Ellison: I am sorry to hear about the case the hon. Lady mentions on behalf of her constituent. She raises a wider issue about the modernisation project that HMRC is going through. Perhaps it would be more appropriate if she wrote to me. Although the process of modernisation means that some regional offices are closing, it is important because it is fundamentally about delivering a better and more modernised service in the future for all our constituents.

Sammy Wilson (East Antrim) (DUP): I trust there will be some compensation paid by the company for the ineptness in the way the contract has been handled and the extra costs that have been incurred. A lot of people today have talked about how wonderful it is that this is being brought in-house, but it was not so long ago that this House condemned HMRC for not answering more than half of the telephone calls made by constituents about tax matters. What steps has the Minister taken to ensure that, now that new cases will be brought in-house, there will not be the same problems with HMRC as there were with Concentrix?

Jane Ellison: It is documented that at times in the past HMRC has had problems with answering its phones, but I think that of late some of the information in the public domain is rather out of date. Indeed, performance in answering phones is considerably better and has reached a very good standard in recent weeks. It is important to retain some balance. It is worth noting that Concentrix has amended about 103,000 claims following the checks it has made. I reiterate that this has been an important exercise, but clearly it needs to be done in the right way.

Julie Cooper (Burnley) (Lab): I welcome the news from the Minister that Concentrix will not have its contract renewed, but in the meantime I have ongoing concerns on behalf of my constituents. There has been a lot of talk about what is unacceptable, with a focus on fraud. What we are talking about here today are errors that have been made and have caused tremendous suffering. We are not talking about occasional exceptional errors; we are talking about a widespread number of errors that are causing exceptional misery for some families. Let me just share with the House the story of one of my constituents, a single mother of four, whose tax credits were stopped in error. As a result, her claim has been required to rely on charity and food banks. She is right that there is error in the system. I reiterate the point that this is a too-complex system, which is exactly why the Government are looking to make major long-term reforms. Even the honest taxpayer can easily fall into error with a system that was so complex in its design from the start.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): As we sit here, families up and down the country have been required to rely on charity and food banks. To make ends meet, as a result of what can be described only as frankly ridiculous decisions made by Concentrix, our constituents find themselves in a position not of their own making. To this end and given that so many are living a day-to-day existence, will the Minister confirm just how quickly people can expect to be paid the sums to which they are rightfully entitled?

Jane Ellison: It is really important that we get the facts of the case correct and quickly. At the point that that is done—it might be during the course of just one phone call—I am assured that money should be placed into people’s accounts in a matter of no more than four working days. That is what I expect to see. It is a matter of days and it certainly should not be weeks. We need to establish the facts in each instance. It is worth saying again—for the sake of the House having some sense of perspective on this issue—that last year only 1.6% of customers asked for a review of the decision, following a check. Given that a large number of people are being checked, that is quite a large number, but it would be wrong to think that this was a huge proportion of the cases in question. It is important to get things right and, as I say, we look to pay people within days—as soon as the facts of the case have been established.

Diana Johnson (Kingston upon Hull North) (Lab): The Minister says that HMRC is supporting Concentrix in performing its contract up until it ends next year. What is the cost to the public purse of that support, and is it recoverable from Concentrix?

Jane Ellison: It has always been the case, as we would expect, that managers within HMRC have worked with Concentrix throughout. I do not anticipate that enormous additional costs will be involved. There has always been a relationship between the two because there is some overlap in the work being done. I would expect that to continue as we work towards the end of the contract.

Alan Brown (Kilmarnock and Loudoun) (SNP): The Minister is currently engaged in crisis management, but unless she sees the bigger picture, crisis management itself is not going to be good enough. In her opening
Concentrix to raise our concerns with them? only the worst of a long series of cases. Let me ask the treated with disrespect and indignity by HMR C. This is have represented them, people in the Wirral have been have represented them, people in the Wirral have been want to reflect on her words. hon. Lady’s general point, I am sure that HMR C will be I have not had a chance to meet Concentrix. On the of performance. In the relatively short time I have been my predecessor colleagues have done so. I have been experience to deliver the kind of savings we are looking for in reducing error and fraud. Practical measures such as simplifying the tax credit system, better monitoring of changes of income through real-time information and improved detection of fraud will obviously go forward. They are all important parts of making sure that we improve performance. It is worth noting again that hundreds of millions of pounds to the taxpayer have been saved by reducing error and fraud. We want to make it harder for people to make errors in the future.

Jane Ellison: HMRC has data analytics and operational experience to deliver the kind of savings we are looking for in reducing error and fraud. Practical measures such as simplifying the tax credit system, better monitoring of changes of income through real-time information and improved detection of fraud will obviously go forward. They are all important parts of making sure that we improve performance. It is worth noting again that hundreds of millions of pounds to the taxpayer have been saved by reducing error and fraud. We want to make it harder for people to make errors in the future.

Alison McGovern (Wirral South) (Lab): As long as I have represented them, people in the Wirral have been treated with disrespect and indignity by HMRC. This is only the worst of a long series of cases. Let me ask the Minister one simple question: when did she first meet Concentrix to raise our concerns with them?

Jane Ellison: I have been a Minister in this Department since mid-July. I have not met Concentrix because I have not been the Minister for that long. Clearly, however, my predecessor colleagues have done so. I have been working with HMRC on regular monitoring. Given the interest from colleagues of all parties in recent weeks, I have been getting daily updates from HMRC on terms of performance. In the relatively short time I have been in my post, particularly in view of the summer recess, I have not had a chance to meet Concentrix. On the hon. Lady’s general point, I am sure that HMRC will be disappointed to hear it, but I am also sure that it will want to reflect on her words.

Carol Monaghan (Glasgow North West) (SNP): One issue reported by my constituents is the requirement to send all the documentation by registered post, which costs over £13—money that they can ill afford when they are living on the breadline. During the eight months in which Concentrix will continue to have this contract, will the Minister look urgently at alternative methods of providing documentation?

Jane Ellison: I will certainly ask that question, but I cannot give any assurance that it will be possible to alter the situation during the time that the contract has left to run. The hon. Lady highlights an important point about where we go in the future with these sorts of systems. It further highlights the fact that the more we can make these things digital and make it easier for people to get right, the more likely we are to avoid these sorts of unhappy situations.

Gavin Robinson (Belfast East) (DUP): The Financial Secretary should know that I tabled five questions on this issue on Monday, and that I am well alive to the issues that many colleagues have raised this afternoon. With 1,800 people employed by Concentrix in Belfast and with Concentrix redeveloping one location in the city, will the Financial Secretary reflect on how appalling it was that members of staff—many of them my constituents—found out about this news last night only by a tweet from the BBC rather than through any communication from Concentrix or indeed any statement to this House?

Jane Ellison: As I have said a number of times, the contract is not going to be renewed; it has not been terminated. To that extent, consideration of whether any contract is renewed will take place in the normal course of events. The hon. Gentleman provides me with an opportunity to place on record my thanks to the many Concentrix staff who are working hard at their jobs and trying to resolve problems. At the same time as we shine a light on areas where performance is unacceptable, it is really important to take the chance to reflect on the fact that many people are working hard to do their jobs as well as possible to provide a good level of service. Indeed, many people are succeeding in that regard.

Owen Thompson (Midlothian) (SNP): I know the Minister says that she sees no need for an inquiry, but I and many colleagues in the Chamber today—and certainly many of our constituents—very much disagree with that position. My question is: how can we learn the lessons to ensure that the practices employed by Concentrix never come to light again if we do not look into the practices carried out by Concentrix through some form of investigation or inquiry?

Jane Ellison: In the normal course of events, we would always look to how things should be arranged in the future after reflecting on what we can learn from things that have already happened. That would happen through a normal process of review and consideration. We shall have to agree to differ on the issue of whether an inquiry is needed.

Christina Rees (Neath) (Lab/Co-op): I have been contacted by many distressed women in my Neath constituency about how awful Concentrix really is. Some Concentrix advisers have suggested to mums, who are desperately trying to renew their tax credits, to get payday loans to feed their children while their claims are being processed. A group has been formed, called “Concentrix Mums”, whose more than 5,000 members can share their horror stories. Let me provide just a couple.

Mr Speaker: No. I think one will suffice.

Christina Rees: One it is, Mr Speaker.

Mr Speaker: I fear the hon. Lady has caught what might be called “the Burnley condition”.

Christina Rees: I hope not. Does it involve shoehorning? One mum had not eaten for three days so that she could feed her children. This is sickening: it should be stopped and it should have been stopped a long time ago.
Jane Ellison: I am aware of the Facebook group that the hon. Lady mentions, and I am also aware of some of the cases that have been documented there. To end where I began, that is exactly why we are deploying additional resources to make sure that we can deal with the most difficult cases for the most vulnerable people as quickly as possible. That will be my focus and that of HMRC in the coming days.

Point of Order

Mr Gareth Thomas (Harrow West) (Lab/Co-op): On a point of order, Mr Speaker. During International Development questions this morning, the Secretary of State said that she would make an announcement on future funding of the global fund at some point next week. It is true that the global fund replenishment conference will take place next week and therefore represents a hard deadline, but given the scale of taxpayers’ funding that is at stake—up to £1.2 billion, hopefully—should not we in the House of Commons, representative as we are of the British taxpayer’s interests, be informed before any briefings are made to the media or to other countries?

Mr Speaker: It is a matter for Ministers. Announcements can be made during recess periods, and frequently are, but if the Government know what they intend to announce, I would hope that they would be sensitive to the prior claim of Members of this House to be informed first, rather than the information being disseminated through the media or to some other less deserving source. I hope that that deals with the issue for now; I am genuinely grateful to the hon. Gentleman for raising it.

These matters usually end up having to be announced to the House anyway. We had a case of that some days ago, when, frankly, it would have been better for an earlier statement to be made to the House on grammar schools. It was not made as early as it should have been, but when it was eventually delivered to the House, I did ensure that everyone questioned the relevant Minister, and a considerable allocation was therefore required. It is always better, really, if the Government anticipate these things in the first place, rather than waiting until later than is necessary.

BILLS PRESENTED

Small Charitable Donations and Childcare Payments

Presentation and First Reading (Standing Order No. 57)

Mr Chancellor of the Exchequer, supported by Secretary Karen Bradley, Mr David Gauke, Jane Ellison, Simon Kirby, Caroline Dinenage and Mr Rob Wilson, presented a Bill to make provision about the payment schemes established by the Small Charitable Donations Act 2012 and the Childcare Payments Act 2014.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 68) with explanatory notes (Bill 68-EN).

Health Services Commissioning (Equality and Accountability)

Presentation and First Reading (Standing Order No. 57)

Rehman Chishti presented a Bill to make provision to reduce inequalities in the health care received by people with mental illness and learning disabilities; to require commissioners of health services to make an annual report to the Secretary of State on the equality of service provision to, and the health outcomes for, such people and of their qualitative experience of health care services; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 67).
AIR QUALITY (DIESEL EMISSIONS IN URBAN CENTRES)
Presentation and First Reading (Standing Order No. 57)

Geraint Davies, supported by Mrs Margaret Ritchie, Rob Marris, Alex Cunningham, Thangam Debbonaire and Tulip Siddiq, presented a Bill to make provision about urban air quality targets relating to diesel emissions; to require vehicle emissions targets and testing to reflect on-road driving conditions; to make the removal or disablement of pollution-reducing devices in vehicles a criminal offence; to provide powers for local authorities to establish low diesel emissions zones and pedestrian-only areas and to restrict the use of roads in urban centres by diesel vehicles; to promote the development of trams, buses and taxis powered by electricity or hydrogen in urban centres for the purpose of improving air quality; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 18 November, and to be printed (Bill 69).

SUGAR IN FOOD AND DRINKS (TARGETS, LABELLING AND ADVERTISING)
Presentation and First Reading (Standing Order No. 57)

Geraint Davies, supported by Graham Jones, Alex Cunningham, Julie Cooper, Louise Haigh, Mark Durkan, Tommy Sheppard, Sir David Amess, Dr Philippa Whitford and Dr Julian Lewis, presented a Bill to require the Secretary of State to set targets for sugar content in food and drinks; to provide that added sugar content on food and drink labelling be represented in terms of the number of teaspoonfuls of sugar; to provide for standards of information provision in advertising of food and drinks; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 4 November, and to be printed (Bill 70).

Mr Speaker: Truly, the hon. Member for Swansea West (Geraint Davies) will prove to be a busy bee.

Geraint Davies (Swansea West) (Lab/Co-op): I am buzzing away now.

Mr Speaker: The hon. Gentleman is buzzing away now, as he helpfully and originally points out.

We now come to the ten-minute rule motion, which the hon. Member for Dover (Charlie Elphicke) has been so patiently waiting to move.

European Union (UK Withdrawal from Membership)
Motion for leave to bring in a Bill (Standing Order No. 23)

1.43 pm

Charlie Elphicke (Dover) (Con): I beg to move,

That leave be given to bring in a bill to implement the withdrawal of the United Kingdom from membership of the European Union; and for connected purposes.

The House knows that the position of the Government is very clear. Brexit means Brexit, and we will make a success of it; also, Brexit means Brexit, and we need to get on with it. I think it important for us to understand, agree with, and endorse the position that article 50 is a matter for the Prime Minister alone. She has the mandate of the masses, given to her—or to the Prime Minister, and the Government—on 23 June, and it is right for her to invoke it. I believe that the sooner she invokes it the better, so that we have the security, the stability and the certainty that we need as we seek to build a post-Brexit Britain.

I am introducing the Bill first to give the House an opportunity to endorse and accept the decision of the British people on 23 June; secondly, to talk about the red lines that the British people clearly identify in terms of what Brexit will look like; and, thirdly, to talk about the vision that we can have for the post-Brexit Britain that we will build.

First, let me deal with the issue of where Members of Parliament stood when it came to the referendum. As the House knows, I was very concerned about the border between Calais and Dover: I did not want it to move back from Calais to Dover. The British people did not share my concerns, and I am here today to say that that is their decision, and we must endorse it.

This is an opportunity, in particular, for the Labour party to reject the talk of the hon. Member for Pontypridd (Owen Smith), who says that we should have a second referendum to drag the British people back into the European Union. It is an opportunity for the Labour party to say, “We accept and we will submit to the will of the British people, and we will help to make Brexit a success.” I also say to members of the Scottish National party, who do not seem to like the result of any referendum that is held in these isles, “Do not be the Scottish Betterendum party.” I ask them first to accept the decision of the Scottish people, and we will help to make Brexit a success.

Let me now deal with the red lines. It is clear that the British people are deeply concerned about the level of uncontrolled EU immigration. They were told, and it was pledged in manifestos, that net migration would be brought down to tens of thousands, but last year the figure was 330,000. People in Dover tell me regularly that they are very concerned about the downward pressure that that exerts on their wages, and their concern has
been underlined and proved right by important research conducted by the Resolution Foundation which shows that, on average, the mass migration that we have experienced has caused wages to be about £450 lower for the hard-working classes of Britain. According to the foundation, if we did succeed in bringing migration down to tens of thousands, they would have a pay rise. Work by the OECD, published in 2014, emphasises that mass migration does not benefit, and has not benefited, the people of Britain or those in the rest of the world. It does not have an economic good, and it does not work for the British people in their daily lives. That red line is crystal clear: we must end uncontrolled EU immigration. The second red line—which was confirmed by Lord Ashcroft’s recently published poll—is also very clear. People do not want billions for Brussels: that has to end. We cannot have any kind of Brexit deal that includes the handing over of billions to Brussels. Instead, the money should be spent here at home, and invested in Britain. My constituents say that we need a renaissance for the towns and regions of Britain, and we need to use that money wisely—which brings me to my final and most important point.

What is the post-Brexit Britain that we are going to build? What will this country look like? My constituents say to me, “It always seems to be about investing in HS2, or runways at Heathrow, or £4.7 billion for Crossrail. It always seems to be about benefiting London, or benefiting the jet-set elite. What about us in Dover? Why has the A2 not been dualled? We have been waiting for that project for decades.” Every single region in the country will be able to specify an infrastructure project for which it has been waiting for a long time, while things always seem to work for the jet-set elite and the metropolitan populace in London rather than for other towns and regions. We need a rebalancing for the 90% who live in the towns and regions of this nation, rather than the other 10%. It is time that Britain worked for everyone. It is time that public expenditure worked for everyone as well. London receives about £10,000 of public expenditure per head, while the figure for the south-east is less than £8,000. That is a difference of some 26%. My constituents say, “The allocation of resources in this country is not fair. When we get this money back from Brussels, there will be an opportunity to make it fairer.”

It comes down to this question: who does Britain work for? Who do my constituents, and the constituents of the towns and regions of this nation, feel that Britain works for? They feel that it too often works for the Philip Greens of this world, for the privileged few rather than the hard-working-class kids of Dover and Deal and Doncaster and Darlington, and they think that that needs to change. First, big business needs a change of culture. We all know how Apple has been gaming the tax system and paying hardly any tax in this country; it is a bad Apple. We also know that Amazon has a Luxembourg structure. We should look closely at its books, and I hope that HMRC will do so. On Google, we need to make sure that the Public Accounts Committee—in its search—and make sure that Google pays a fair share of tax in this country. When it comes to car rental businesses like Avis, it just shows that we are being taken for a ride when, the other day, it imposed a Brexit tax on Britons but is not paying any corporation tax to Britain because it has a Luxembourg structure. It is that kind of thing that drives the people of Dover and Deal round the bend and we need to call a stop to it. We can do that when we leave the EU very simply, because we will not be struck by its anti-discrimination rules that make it so hard for us to secure our tax base.

We need to make sure that Britain works for the people as a whole, rather than have the bloated boardroom bonuses we have seen too much of in recent years. The ground-breaking research of my hon. Friend the Member for Croydon South (Chris Philp) recently showed that pay in the boardroom for chief executives is 150 times that of employees of FTSE 100 companies. That is not right, and that has doubled in the last 12 years. When a shareholder vote rejects that, companies like BP just say, “Well, we’re not accountable to you; we’ll do what we like.” That culture needs to change.

We need to have a country that works for everyone, not just the privileged few. It is important that we make sure that we have more investment for the regions—that we have runways in places like Bristol and Birmingham and Manchester and that we have railways and roads that work for everyone in the regions. It is important that we have bigger investment.

Finally, I simply say that Brexit means Brexit. We are going to make a success of it, but it is also an opportunity to change how we run Britain, to change our national way of life and who our country works for and make sure it works for literally everyone, rather than just the privileged few, which is how people have felt for too long. That is the kind of change we can make.

It was the towns and regions of this country that decided to take us out of the EU, and they should be supported in leading the charge for the kind of future we can build as we head out into the single market of the world.

1.52 pm

Stewart Hosie (Dundee East) (SNP): I want to decline the right of the hon. Member for Dover (Charlie Elphicke) to bring in his Bill. He said that we in Scotland, the Scottish National party in particular, should respect the decision and the outcome of the referendum. I very much respect the decision of those nations who voted to leave the EU; I would simply say to my friend from Dover that perhaps he and his colleagues should respect the wishes of those nations who voted to remain in the EU.

It is always sweet to be chided by the hon. Gentleman, who railed against the jet-set elite and talked about the imbalance in boardroom pay. We do not need to leave the EU and destroy our trade opportunities to tackle the imbalance in boardroom pay. He talked about the imbalance in public spending, and he was right to do so: indeed, other parts of the country—the east of England, the north-west of England—get even less than the south-east gets, such is the imbalance. But we do not need to leave the EU and weaken job opportunities and export opportunities to rebalance public spending throughout the English regions. If only we had an English Parliament to deal with these things, then things would be so much better. The hon. Gentleman spoke about corporate tax and how little is paid by some of the Goliaths of the global corporate world. We do not
need to leave the EU and weaken opportunity further in order to deliver fairness in corporate taxation.

In essence, though, the hon. Gentleman made a pitch to leave now because, he said, “Brexit means Brexit” and we will “make a success of it”; I think I am quoting accurately. The problem, and the reason why no one can support this ten-minute rule Bill, is that when the Prime Minister—the leader of Government, the high heid yin of the Tory party—is asked, “If Brexit means Brexit, does it mean we will be staying in the single market?” she does not know. When she was asked the most straightforward question earlier today—“Will the passporting in place for financial services be maintained?”—she said “I refer you to the answer I gave last week,” which is, “I don’t actually know.”

So on the basis that “Brexit means Brexit” is no more than a meaningless campaigning expression, and that none of the benefits described by the hon. Gentleman in terms of Brexit—tackling corporate pay and corporate taxation, tackling the imbalance in regional public expenditure in England—will in any way, shape or form be addressed, let alone improved, by Brexit, I fear we are going to have to call against the hon. Gentleman’s valiant attempts to drag the whole of the UK, including those parts who voted to stay in, out of the EU before there is even a plan.

Question put (Standing Order No. 23).

The House divided: Ayes 50, Noes 179.

Division No. 65

AYES

Blackman, Bob
Bone, Mr Peter
Borwick, Victoria
Cash, Sir William
Davies, Chris
Dodds, Rh Mr Nigel
Donaldson, Rh Sir Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan Smith, Rh Mr Iain
Elliot, Tom
Elphicke, Charlie
Fysh, Marcus
Goldsmith, Zac
Henderson, Gordon
Hoey, Kate
Hollaborne, Mr Philip
Howarth, Sir Gerald
Jenkyns, Andrea
Knight, Rh Sir Greg
Leigh, Sir Edward
Lewis, Rh Dr Julian
Lilley, Rh Mr Peter
Lopresti, Jack
Main, Mrs Anne
Mann, John
McCartney, Jason

Brock, Deidre
Brown, Alan
Brown, Rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Burnham, Rh Andy
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, Rh Mr Alan
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Cooper, Julie
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cummins, Judith
Cunningham, Alex
Dakin, Nic
Danczuk, Simon
David, Wayne
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Elliot, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Farrelly, Paul
Fellows, Marion
Fenner, Margaret
Fitzpatrick, Jim
Fint, Rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Gwynne, Andrew
Haigh, Louise
Hanson, Rh Mr David
Harman, Rh Ms Harriet
Hayes, Helen
Hayman, Sue
Hendick, Mr Mark
Hendy, Drew
Hemon, Lady
Hodgson, Mrs Sharon
Holern, Kate
Hosie, Stewart
Howarth, Rh Mr George

Huq, Dr Rupa
Hussain, Imran
Johnson, Rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Susan Elan
Keeley, Barbara
Lawery, Ian
Law, Chris
Lefroy, Jeremy
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
Malhotra, Seema
Maskell, Rachael
McCabe, Steve
McCaig, Callum
McCarthy, Jerry
McDonnell, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, Dr Alasdair
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Mea, Sir Alan
Mearns, Ian
Miliband, Rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Morris, Grahame M.
Mullin, Roger
Murray, Ian
Nandy, Lisa
Nicolson, John
O’Farrell, Chi
Osamor, Kate
Owen, Albert
Paton, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Jamie
Rees, Christina
Reynolds, Jonathan
Ritchie, Ms Margaret
Robertson, rh Angus
Salmond, Rh Alex
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Slaunger, Andy
Smeth, Ruth
Smith, Angela
Smith, Cat
Starmer, Keir
Stephens, Chris
Social Security

The Minister for Employment (Damian Hinds): I beg to move,

That the draft Welfare Reform and Work (Northern Ireland) Order 2016, which was laid before this House on 6 July, be approved.

The order will ensure that the welfare reforms enabled by the Welfare Reform and Work Act 2016 in Great Britain are delivered in Northern Ireland while also ensuring that the Northern Ireland Executive have a workable budget. This order is an important part of delivering the “Fresh Start” agreement and will enable the Northern Ireland Executive to provide for supplementary welfare payments from within their own budget. Before the “Fresh Start” agreement, the impasse on agreeing the implementation of welfare reform meant that the Northern Ireland Executive had been operating on an unworkable budget. This had created significant political instability and it risked collapsing the devolution settlement.

This order today brings changes that will help to ensure that the budget of the Northern Ireland Executive is placed on a stable footing. We want to work with the Executive to support a Northern Ireland where politics works—a Northern Ireland with a stronger economy and a stronger, secure and united society. It is in the light of these goals that the Government have agreed to legislate on behalf of the Executive to enable the welfare reform changes in the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016 to be implemented. Those changes include the introduction of universal credit, personal independence payments and the benefit cap. This formed an integral part of the “Fresh Start” agreement in November last year.

The Welfare Reform (Northern Ireland) Order passed in December last year has enabled the making of more than 30 sets of regulations replicating in Northern Ireland the welfare reforms in the 2012 Act. The order before the House today is the next step in that process. It has been drafted with the full consent and collaboration of the Northern Ireland Executive to bring social security in Northern Ireland back to a position of parity, thereby helping to rebalance and strengthen the finances of the Executive.

Across the UK, our welfare reforms have focused on supporting people to find and keep work. They have focused on employment, fairness and affordability while supporting the vulnerable. Over the past six years, we have stuck to our economic plan, delivered welfare reform and seen great progress, with employment up 2.7 million. Broadening life chances is a central part of this Government’s plans. In Northern Ireland, the raising of tax thresholds will take 110,000 of the lowest paid people out of income tax altogether, and 700,000 people will benefit from reduced taxes. Also, 100,000 people in Northern Ireland are projected to benefit from the national living wage by 2020. The Government’s support for working people goes hand in hand with the welfare reform programme to encourage people into work.

We have also invested in Northern Ireland. The Stormont House and “Fresh Start” agreements included financial packages of £2.5 billion to support investment and reform. This includes £350 million of additional capital borrowing explicitly for economic development projects.
By working together, the Government and the Executive have achieved significant successes, including bringing £60 million of additional finance to Northern Ireland businesses, providing additional borrowing for shared education projects and boosting green investment by £70 million.

In Northern Ireland, 55,000 more people are in employment than in 2010, but there is much more still to be done. The most recent Northern Ireland unemployment rate of 5.6% is above the overall UK average of 4.9%. The percentage of unemployed people who have been out of work for more than a year is 47.8%—markedly higher than the UK average of 27%. Some 22% of working-age households in Northern Ireland are workless compared with 15% in the UK as a whole.

The Welfare Reform and Work Act 2016 built on the 2012 reforms, and this order provides the legislative framework to replicate some of its most important aspects, including changes such as improving fairness in the welfare system by changing the level of the benefit cap. The order will ensure parity by bringing the cap that exists in Great Britain to Northern Ireland. Changes also include providing new funding for additional support to help employment and support allowance and universal credit claimants with health conditions and disabilities into work and removing the ESA work-related activity component, so that the right support and incentives are in place for those who are able to take steps back to work. The unsustainable rise in benefit levels compared with earnings will be corrected by freezing most working-age benefits. Importantly, the changes will help to ensure that the budget of the Northern Ireland Executive is placed on a stable footing.

It was agreed in the “Fresh Start” agreement that the Executive could supplement benefits from within their own budget. The agreement allocated up to £585 million of the Executive’s block grant over four years to provide for supplementary welfare payments in Northern Ireland, and that will be reviewed in three years. Under the 2015 order, the Assembly has already passed some regulations for supplementary welfare payments relating to the 2012 reforms. The provisions of this order will give the Assembly the ability to design and pass further such regulations, including supplementary payments to those affected by the removal of the spare room subsidy. These time-limited payments follow the recommendations of the Evasion report, which flowed from a commitment in the “Fresh Start” agreement.

The order is about delivering the “Fresh Start” agreement and returning Northern Ireland to a position of legislative parity and financial stability, and I commend it to the House.

2.13 pm

Mr David Anderson (Blaydon) (Lab): I thank the Minister for bringing this order to the House, but it is a shame that the matter could not have been resolved in Northern Ireland. The order is the result of months of negotiations and an attempt to break budgetary deadlock and avoid the potential collapse of the Stormont institutions. I and many hon. Members were glad to see a deal reached and credit the work of all those involved: the parties in Northern Ireland, the Irish Government and many Members of this House.

I have been involved in Northern Ireland affairs for almost 30 years—within the trade union movement, as a member of the Northern Ireland Affairs Committee, and latterly as a vice-chair of the British-Irish Parliamentary Assembly. In the union work in which I was involved in the 1990s, when we worked hard to deliver the peace process, we coined the phrase, “We are a non-partisan agent for change.” It is that phrase that has guided my work inside and outside this House, and it is with that attitude that I want to address the matter before us today.

The Labour party takes great pride in the role it played in bringing about peace in Northern Ireland, working with good people on the ground and around the world on the Good Friday agreement, the “Fresh Start” agreement and much in between. We have always worked in the best interests of the people of Northern Ireland. What is paramount today is ongoing peace and stability in Northern Ireland, and Labour will work with the Government and all interested parties both in this House and in Northern Ireland on maintaining it. I am sure that that sentiment will be echoed by Members in the House today.

The “Fresh Start” agreement included legislative consent from the Northern Ireland Assembly to allow Parliament to enact legislation on its behalf. I respect the legitimacy of the Assembly to do that, but I am sad that it had to.

Today’s order seeks to extend, among other measures, the welfare reform Acts of 2012 and 2016 to Northern Ireland. The Government’s welfare reform programme has devastated the lives of far too many vulnerable people across Great Britain, plunging them into financial distress. In the hour before this debate, we heard about the tax credit fiasco. Real people are suffering as a result of measures brought in by this Government over the past six years. I and many other Members from across the country see the effects of the cuts in our constituency surgeries.

This legislation is in the interests of ongoing stability in Northern Ireland, so we will not stand in its way, but the Labour party will never stop showing its ongoing opposition to the Tory austerity agenda, which we have consistently railed against in this House over recent years. We have opposed cuts to tax credits that hit families in the pocket, changes to ESA that hurt those suffering from disease and injury, a benefits cap that does not rise with inflation, cuts to council tax credits, and cuts to crisis loans. We must also never forget that 42% of those deemed fit for work by Atos were actually declared unfit on appeal—a damning indictment of the Conservative party. I could go on and on.

Welfare reform was intended by this Government to impact hard on the UK’s most vulnerable people and to force them to work when they are not well equipped to do so. The desire to inflict on the people of Northern Ireland the same disastrous policy that has blighted the lives of so many of our constituents right across Great Britain is a desperate tactic from a Government more concerned with ideology than compassion. The use of austerity as a weapon of policy was and still is a crude and blunt instrument. The role of austerity in the now hardly mentioned long-term economic plan will be the epitaph of our dear departed friend from Witney and his sidekick from Tatton. Saying “We will make work pay” rings hollow for those forced to look for work while struggling with long-term illness, injury or disease.
The truth is that this Government want to make it impossible for anyone to survive on benefits, which is hugely unfair to those struggling from day to day through no fault of their own. There may be some who say that the changes should apply to Northern Ireland because they apply across the rest of Great Britain, but, to put it simply, two wrongs do not make a right. The Conservative party clearly believes in the equalisation of misery. Labour believes in the alleviation of misery. When we get back into power, we will not be attacking the sick, the young, the elderly and the disabled or calling them scroungers and skivers. We will not be declaring war on anyone whose curtains are not open by a specific time every day. We will not be making the poor pay for the failings of the rich and those who dabble in money markets. It is interesting that the “Fresh Start” agreement includes measures to mitigate the ongoing austerity regime. While I welcome such measures, does that not show that these changes should not be made in the first place? It is accepted that problems are going to be piling on people who do not deserve them.

We have been advised that the cuts will take £750 million out of the Northern Ireland economy and that the loss per working age adult, at £650 per year, is 38% higher than the UK average. In Northern Ireland, it was recently announced that the Michelin factory in Ballymena will close, resulting in the loss of 860 jobs, that another 250 jobs will be cut in the Caterpillar factory in Newtownabbey and that there will be job losses at Bombardier. Those men and women will find less support than ever and this order will do nothing but compound their difficulties as they try to find their way through the world of unemployment.

As the Minister mentioned, Northern Ireland has some of the highest levels of long-term unemployment in the United Kingdom. Almost one in 10 adults of working age is in receipt of disability living allowance—almost twice the national average—and so will be hit more than those in other parts of the UK. Belfast will be damaged most by the reforms. Poverty is a genuine everyday reality for many in Northern Ireland, and the reforms will serve no purpose other than to compound such difficulties. The cuts will hurt the vulnerable. They hit the disabled, families and children and Labour cannot be complicit in that.

We have to accept that despite the huge opposition to these so-called reforms, they have been enforced on the people of Great Britain. But that does not make them any more palatable and it does not give any more reason also to force the changes on the people of Northern Ireland. We have to accept the very real circumstances of its history and of the current difficulties the people of Northern Ireland face. According to figures from the Northern Ireland Statistics and Research Agency, since 1998 more people have taken their own life in Northern Ireland than died throughout the troubles, with research showing that during the recession those figures increased. The suicide rate in Northern Ireland is 70% higher than the UK average. Forcing the vulnerable in society further into despair will do nothing to defeat this problem.

We support any work aimed at maintaining the long-term stability of the institutions in Northern Ireland, as those of us who remember the days of direct rule can attest; we will say how important it is to make sure that these institutions not only carry on, but flourish and improve. On that basis, we will not oppose this order today, but that should in no way be taken as our condoning what is being done by this Government to the people of Northern Ireland.

2.20 pm

Ms Margaret Ritchie (South Down) (SDLP): I thank the hon. Member for Blaydon (Mr Anderson) for outlining the position on welfare reform and the fact that it can be so pernicious in bringing about bad impacts on people already on a low income. I welcome the fact that the Minister for Employment is here today, as he has previously been in the Treasury. He has outlined this supplementary legislation.

My party has always been clear about our position, which is on the record both in this Chamber and in the Northern Ireland Assembly: legislation dealing with welfare reform should have been dealt with in the Assembly, as originally envisaged. Westminster’s interference in our devolved welfare arrangements was inappropriate, as were the subsequent fines. As a former Minister for Social Development in Northern Ireland for three years, I recall bringing forward “karaoke” legislation on welfare issues. Why should it have been different this time?

The Democratic Unionist party and Sinn Féin voted through the legislative consent motion in the Assembly to hand our welfare powers over to Westminster. Indeed, far from its original promises that no claimant would be worse off, Sinn Féin handed our welfare powers over to London to carry out its dirty work, while its Members do not even take their seats in this Chamber. The essence of devolution is to improve the lives of people in Northern Ireland, and devolution is damaged if the two largest parties in the Assembly and the Northern Ireland Executive pick and choose which powers they have and when they have them. People in Northern Ireland must be able to have confidence that the political institutions upon which we agreed in the referendum in May 1998, and the people and politicians involved, are serious about the powers they have and will fiercely defend any attempts to reduce them.

This legislation should have been a matter for the devolved Assembly, which should have resisted the Treasury’s interference and taxes on our devolved budget. Instead, the DUP and Sinn Féin were delighted to have the powers taken off their hands for some 13 months. My party made numerous attempts to build consensus on welfare reform as far back as 2010, both in the Assembly and in this House through my hon. Friend the Member for Foyle (Mark Durkan). He made those attempts when the original Welfare Reform Bill was going through the House—even before the issue came to the Assembly.

The Social Democratic and Labour party was always realistic about the implications of welfare reform and made the case for mitigation that was sustainable and would be included in the devolved budget. I can well recall a meeting we had with Lord Freud, then a Minister in the Department for Work and Pensions, where we outlined specific measures that would help to mitigate the impact of welfare reform in Northern Ireland. Surprisingly—or, perhaps not so surprisingly—those mitigation measures areas were eventually to come about. We divided on the Bill last year and on the order when it came to this House in 2015.
I would welcome clarification from the Minister on another matter that is directly related to this order. My hon. Friend the Member for Foyle raised it last week. Clause 9 of the Finance Bill provides for the Treasury to ensure that “no liability to income tax arises on supplementary welfare payments of a specified description”. But it also makes provision for the Treasury to make regulations to “impose a charge to income tax under Part 10 of ITEPA 2003 on payments of a specified description.”

The SDLP has been at the forefront of securing mitigating powers for the Assembly to enable it to make supplementary payments. Can the Minister confirm today that the clause does not give the Treasury the green light to interfere in decisions by the Executive and the Assembly on supplementary payments by dictating that those payments could be subject to a tax clawback? As he knows, such top-up welfare payments will be made from the Executive’s own devolved budget and will not come under annually managed expenditure, which is the usual route for the payment of benefits throughout Northern Ireland. In response to my hon. Friend the Member for Foyle, the Financial Secretary to the Treasury confirmed last week that the clause will not allow that. Can the Minister for Employment reconfirm that position?

As I said, the SDLP has worked to secure mitigation, and the passing of this order will be necessary to release the moneys for mitigation measures or supplementary payments, which we do not want to obstruct. For that reason, we will not push the House to a vain Division on the order today—I am sure some people will be pleased about that. Notwithstanding that, it is important to remember that welfare reform, and particularly the legislation upon which this order is based, will introduce pernicious measures into Northern Ireland and will have an impact on those with low income who are reliant on benefit. I fear that it could push people further into poverty. It is therefore incumbent on the Government to ensure that people are protected and that there is some form of cushion for them. I respect the fact that the mitigation measures will ensure that there is, but the Government must consider other measures to ensure that people can live decent lives.

Earlier today, the hon. Member for Belfast East (Gavin Robinson) initiated a debate on social fund funeral payments. The SDLP participated in that debate, because there is a feeling that those payments have been capped for several years and there has been no corresponding increase when the costs have exceeded the bounds of many people’s income. The Minister responding to that debate did not give us a helpful response about future DWP or Treasury measures to increase such payments. When we discuss welfare matters in relation to Northern Ireland, it is important that we take into account the special circumstances of the many people, particularly in urban areas, who find themselves unemployed, perhaps through no fault of their own, and are in receipt of benefits. They must have a financial cushion and protection in order to live their life without any detriment.

2.29 pm

Sammy Wilson (East Antrim) (DUP): The fact that this order has been brought before the House today indicates the radical steps that had to be taken to rescue the Northern Ireland Assembly from financial and political collapse. Let us be in no doubt about this: the Northern Ireland Assembly faced collapse because of the attitude of those who, despite all the protestations that legislation on matters devolved to Northern Ireland should be dealt with by the Northern Ireland Assembly, took a totally irresponsible view and blocked the Assembly’s ability to make decisions. That plunged the Assembly into financial crisis.

It is less than a year since the welfare reform legislation went through the House of Commons. Although the matter had been devolved to Northern Ireland, it was always assumed that the legislation passed in this place would be reflected in the legislation passed in Northern Ireland. The bill was being paid through the AME payments that came to the Northern Ireland economy—in other words, it was money that was paid on demand. If unemployment went up, we did not have to find the money from the block grant; it came centrally from the Exchequer. If there was a change in the number of claimants for a benefit, the money was automatically made available.

Of course, there was opposition to some of the welfare reform measures—indeed, my party voted against a number of them—but once they had been through the House of Commons the stark choice for the Assembly was between deviating from those measures and paying for the deviation, and complying with them and ensuring that payments to the Northern Ireland expenditure block continued. There were some who, because of their minority position in the Assembly—the SDLP led the charge—wanted to have it both ways. They wanted to ensure that the budget in Northern Ireland was not put into jeopardy, but at the same time, like Pontius Pilate, they wanted to wash their hands of what was happening and say, “By the way, the consequences of welfare reform are nothing to do with us, because we voted against it. It was all those other parties that voted it through.” That was the position that we faced because of the political structures in Northern Ireland.

Gavin Robinson (Belfast East) (DUP): The hon. Member for South Down (Ms Ritchie) suggested that attempts were made to reach consensus with other parties in Northern Ireland. Can my hon. Friend recall any proposal that was made to build consensus and overcome the significant hurdle that he has just outlined, which was that we could either deviate from the welfare reform measures or follow them?

Sammy Wilson: That was the problem. In his short intervention, my hon. Friend did not have the opportunity to explain what happened. We were not delighted that the powers were taken away from us, but because of the use of the petition of concern by the SDLP and others, the ability to bring legislation forward was blocked. We then faced a situation in which we could not bring forward our own bespoke Northern Ireland legislation because of the block.

Ms Ritchie rose—

Sammy Wilson: I will give way in a moment, but let me just explain this, because it is important. Rather than being delighted that Westminster had taken responsibility, our party worked frantically to try to find ways of ensuring that the worst aspects of welfare reform—the ones that we believed were the most damaging and that, for structural reasons, could not be introduced
in Northern Ireland—were dealt with by taking money from other priority areas. We used that money to alleviate some of the difficulties. That was blocked—stopped dead in its tracks—by the SDLP’s use of the petition of concern. We worked our socks off to try to get a bespoke arrangement for Northern Ireland, which could be agreed to by all of the parties and would therefore have some kind of democratic authority, but it was impossible to do that because of the actions of the SDLP. It protested that it wanted the legislation dealt with in Northern Ireland, but did its darnedest to ensure that it could not be dealt with in Northern Ireland and that it had to be dealt with here.

Ms Ritchie: Let me refresh the hon. Gentleman’s memory, as I fear that he and his colleagues may have forgotten what actually happened. My colleagues in the Northern Ireland Assembly proposed an all-party Committee as far back—[Interruption.] It is not flannel. It was proposed as far back as March and April 2011 to address this issue. We wanted to achieve all-party consensus so that we could go forward to the Treasury here in London as a united team to achieve the best possible deal for the people of Northern Ireland.

Sammy Wilson: I was the Finance Minister in Northern Ireland at the time, and I can remember those discussions. There was a whole list of demands. Basically, it was demanded that we should not introduce any of the welfare reform proposals and that we should just go ahead as usual. The important question was who was going to pay for it. There was a naive belief that if all the parties in Northern Ireland came to Ministers here in London, with the great and the good from Northern Ireland on their coat-tails, and pleaded a special case, we would somehow be exempt from the welfare changes that were being made in all other parts of the United Kingdom. That was the cunning plan. I am afraid that even those who were sympathetic to the SDLP’s point of view knew that nothing would come from it. Indeed, Baldrick could not have devised a more stupid plan had he sought to do so.

There is no point in saying that the SDLP tried to find ways of changing this; the only suggestion was that we should oppose the changes and say that we therefore did not want them for Northern Ireland. The more realistic position, and the one now reflected in the proposal before us, was to say that we should look at what resources were available, look at the most damaging aspects of the legislation and see whether we could find, within our own resources, the ability to mitigate some of them.

Over the term of this Assembly, we will find from our own resources—that means reducing the priority in some areas—a way to protect the most vulnerable. We will mitigate the measures by, for example, not enacting the spare room subsidy, or by compensating people for it. We may also use the work allowance and a range of other things. We will find half a billion pounds over the lifetime of the current Assembly to alleviate some of the impacts of the welfare reform changes, and those are reflected in the legislation that is before the House today.

It is a great pity that there was not the maturity to have those changes made through legislation that was debated and passed in the Northern Ireland Assembly. At the “Fresh Start” talks this time last year, or just later, it was agreed that, rather than going through the process of trying to force this issue through the Assembly when we knew the blocking mechanism would be employed again by the SDLP and some of its allies, it would have to be dealt with here in the House of Commons, and that is the position we are in today.

Let me just emphasise a number of points. First, there are welfare changes that we supported here in the House of Commons because we believed that welfare did need reform. Secondly, we believe that any welfare system ought not to be designed in a way to dissuade people from wanting to look for work—that is important. Therefore, we did support some of the changes, even in the debates here in the House of Commons. Thirdly, there were things that we did not support, but once they got through the House of Commons, and we knew we could not afford them in Northern Ireland, we accepted that they should be part of the legislation. Fourthly, there were things that we believed we could change and that we could find the money to change, with bespoke legislation for Northern Ireland, and those things are reflected in the proposal before us.

The last point is, of course, that this will all be devolved back to Northern Ireland at the end of this year. I trust that we will have learned from the debacle that brought the Assembly and politics into disrepute, and that we will learn that sometimes, there are hard choices to be made and that we should at least be prepared to face up to those hard choices and find ways of dealing with the consequences of legislation that comes from this place.

Dr Alasdair McDonnell (Belfast South) (SDLP): Will the hon. Gentleman not honestly accept that, really, the whole debacle was more about him and his party not wanting to troop through the Lobby in a love-in with Sinn Féin to inflict poverty on people in Northern Ireland?

Sammy Wilson: This is the amazing thing: I know there are all these attempts to rewrite history, but it was a DUP Minister who actually brought the legislation to the Assembly—who was prepared to walk through the Lobby and vote for it. However, because a petition of concern was introduced by the SDLP, a majority of Members in the Assembly had voted for the legislation, it would still not have become law. Once that petition of concern was triggered and the legislation was turned down, we could not have any welfare reform Bill. That is the truth of the matter—not that we ran away. We faced up to things. I can remember doing interview after interview where we even faced flak from people who said, “You’re going to hurt individuals because of part of this legislation.” We argued, “At least we’ve done something to mitigate it. We have got the best possible deal.”

Can I just say that we did get changes and allowances made by the Department for Work and Pensions? I want to give credit to Ministers in the Department. When we were negotiating on welfare reform, they accepted that Northern Ireland could make changes, albeit that we had to accept the financial consequences of those changes. However, flexibility was demonstrated by the Department, although it was rejected by those who wanted simply to be able to say, “We are purer than everyone else on this issue. We have stood on our principles”—regardless of the consequences of that.
We have the legislation that we have today. Those who are most vulnerable in Northern Ireland have been safeguarded by the changes that have been made and by the resources that have been devoted to this issue by the Northern Island Assembly, and that has been a painful choice, because, of course, it means that there is less money to spend on other things.

Ms Ritchie: Will the hon. Gentleman give way?

Sammy Wilson: The hon. Lady had plenty of opportunity to make her point during the debate, and I have allowed three or four interventions already. I know she is struggling with the case that she has and with the embarrassment of the way in which the SDLP has handled this issue.

We now have this order. I recommend it to the House—it is the best deal we could possibly have got. Unfortunately, it would have been far, far better had it gone through the Assembly, but because of the Assembly’s structures and the ability of minority parties to obstruct legislation through a petition of concern, this measure was the only avenue by which we could ensure that the Assembly finances were protected and that the political process in Northern Ireland was able to continue.

2.48 pm

Tom Elliott (Fermanagh and South Tyrone) (UUP): I may come later in my short speech to a few of the points that the hon. Member for East Antrim (Sammy Wilson) raised. First, however, on the detail of the legislation, I want to make it clear that the Ulster Unionist party supports the benefit cap, for example, because it is important that we keep people in work. People are better off in work than totally relying on benefits, so we do support a raft of these issues.

We are still concerned that the split cap level between London, where it is £23,000, and the rest of the UK, where it is £20,000, represents the most significant non-conformity in the UK’s social security system. It will need to be watched closely, and the issue is obviously with the reserved Government here at the moment. Clearly, that is where the watching brief must be, and I am sure that the Northern Ireland Assembly and Executive will also make representations here.

It had originally been planned to introduce universal credit in Northern Ireland from 2017, but that has now moved to the autumn because the development work on the Northern Ireland changes to the universal credit information and communications technology system has been delayed. The deadline still remains June 2018. As such, the Department for Communities in Northern Ireland has now found itself with the unenviable task of safeguarding the Department for Work and Pensions’ interest.

We still do not support the abolition of the work-related activity component of employment and support allowance for new claimants from April 2017. However, the debate has been held, and the Government have not taken that on board, so we must progress with what we have. We must now move on to identify all the additional support and help that claimants need to help them return to work.

On a more principled issue, there is huge frustration that, first, this measure has had to come back here to be implemented and, secondly, that it has taken so long, at a huge cost to organisations such as the health service and the education service, where there have been delays after delays. A lot of this has just been grandstanding. I fully accept the point that some people just did not want to vote for this in the Northern Ireland Assembly and Executive. Let us be blunt about it: Sinn Féin was the biggest proponent of that, assisted to some extent by the SDLP. The reality is that this issue could have been resolved many months—in fact, years—ago. The delays have been at a huge cost to the people of Northern Ireland—the ordinary people who needed that health care and that education.

I support the continuance of this measure. There are some changes that I would have liked to see that did not happen, but we are where we are, so I support the progression of this measure. Clearly, however, we cannot get into another mess like the one we have been in for the last couple of years; otherwise, the Northern Ireland Executive and Assembly will be back to a very difficult position and, once again, to stalemate.

2.48 pm

Mr Nigel Dodds (Belfast North) (DUP): It is a pleasure to follow the hon. Member for Fermanagh and South Tyrone (Tom Elliott). I want to support what my hon. Friend said, comes from direct payments and not out of the Northern Ireland block grant. As a former social development Minister back when devolution began in 1999, I remind the House that the understanding was that there should be parity, because if we deviated from that, then Northern Ireland would have to pay for it out of the block grant. Areas such as hospital spending, education, the environment and housing would all have to suffer cuts to pay for any deviation.

This comes to the crux of the arguments that took place in the Northern Ireland Assembly in recent times. People in certain parties—notably the SDLP, and at times Sinn Féin and others—would say, “Let’s deviate, let’s do our own thing—we’re not accepting these welfare cuts.” Their proposal to try to get something for Northern Ireland was to say, “Let’s set up a committee, go and knock on the door of the Treasury, and demand that Northern Ireland receives hundreds of millions of pounds extra,” which was never going to happen.

Had this measure not been introduced—had the “Fresh Start” negotiations that took place primarily between the DUP and Sinn Féin not had a successful outcome—then by now we would have had full, untrammeled direct rule from this place. That is the reality of it. We would have had welfare changes in Northern Ireland that were exactly the same as those in England and Wales. There would have been none of the mitigations—one of the changes that we implemented, and wanted to see
implemented. So the consequence of the approach of members of the SDLP and others who opposed a sensible compromise would have been full, untrammelled welfare changes of the sort that they say they oppose.

Mr Dodds: It is for Sinn Féin to explain its own position. It is not for me to speak for it, especially when its Members do not come to this House. Certain Members are often seen about the corridors. They are here to collect their allowances—their political representation money and their constituency office allowances—but that is all they do; they do not take part in any other parliamentary processes. I will therefore leave it to them.

The reality had to dawn on people in Northern Ireland that we were facing the collapse of the political institutions. It is a bit like a local council in England or Wales, or anywhere else, being told, “Here’s your financial settlement—here’s what you’ve got to work within,” and the leading party there saying, “Sorry, we’re not going to accept that. We’re going to set budgets that are way beyond that, we’re going to just ignore the financial realities, we’re not going to make any compromises which will safeguard the most vulnerable”—

Ms Ritchie: Will the right hon. Gentleman give way?

Mr Dodds: No. The hon. Lady had plenty of time to put her arguments to the House, and the fact that she was unable to put any convincing arguments is her responsibility.

In terms of financial responsibility, serious parties of government—parties that are serious about running countries and being in government—have to take difficult decisions within the financial parameters that they are set, especially in a devolved Government. If we simply say, “We’re not going to do that—we demand that you give us more,” it eventually leads to collapse.

Let us remember that the people of Northern Ireland had their say—

Ms Ritchie: Will the right hon. Gentleman give way?

Mr Dodds: No, no—the hon. Lady has had her opportunity to speak, and I am not giving way.

The people of Northern Ireland have had their say. There was an election in May in which they delivered their verdict on the whole social security debacle and on how the DUP and other parties had performed. The SDLP and certain other parties had their worst ever result in Assembly elections. The DUP was returned with one of its best results ever and is back at the head of government in Northern Ireland. The people of Northern Ireland saw very clearly what was going on. They recognised that parties and politicians have to face up to their responsibilities. If they are not serious about that, they will be rejected at the polls.

I, too, welcome this order. I wish the DWP Minister, who has moved from the Treasury, well in his work. I hope that we come to a point where we do not need such legislation to come to the Floor of the House of Commons and can get back to dealing with it in the Northern Ireland Assembly.

2.54 pm

Damian Hinds: Let me emphasise that this order fulfils a vital commitment made as part of the “Fresh Start” agreement. We have had a robust debate on some of the historical aspects of how we got to this point. In the interests of time, I think it best that I do not reflect further on that. Suffice it to say that the two largest parties in the Assembly signed up to the “Fresh Start” agreement of which this legislation was a crucial part. Moreover, the Assembly passed a legislative consent motion supporting the legislation to be dealt with here in Westminster. As the right hon. Member for Belfast North (Mr Dodds) said, Northern Ireland has long kept to parity on social security, as set out in section 87 of the Northern Ireland Act 1998. Restoring that parity is a crucial part of keeping the Executive’s finances stable. The provisions on the welfare supplementary payments will be put forward in full detail by the Executive and the Assembly.

In response to the question about taxation from the hon. Member for South Down (Ms Ritchie), supplementary payments to non-taxable benefits will be non-taxable, and supplementary payments to taxable benefits will be taxable, so the tax treatment will be the same as in the current system.

This order is a crucial part of delivering the “Fresh Start” agreement. It will help to build a politically and financially stable Northern Ireland. I commend it to the House.

Question put and agreed to.

Resolved,

That the draft Welfare Reform and Work (Northern Ireland) Order 2016, which was laid before this House on 6 July, be approved.
The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): I beg to move,

That the draft Pensions Act 2014 (Consequential Amendments) Order 2016, which was laid before this House on 4 July, be approved.

This order implements a small number of further minor consequential amendments in connection with the introduction of the new state pension. It does two things. First, it ensures that existing administrative arrangements that are designed to facilitate the annual uprating exercise will continue to operate as they do now. Secondly, it gives appeal rights to decisions about national insurance credits that count for new state pension purposes.

Let me deal first with the amendments to do with uprating. Article 2 amends the Social Security Administration Act 1992, which deals with alterations in the payable amount of certain income-related benefits due to uprating: that is, income support, income-based jobseeker’s allowance, income-related employment and support allowance, universal credit, and pension credit. These provisions allow an existing award of these benefits to be altered automatically to take account of the uprating of another benefit in payment to the claimant or their partner, without the need for a further decision by a decision maker. They can also enable the decision maker to take account of the new rates from the uprating date when he or she is determining a new award that begins before the uprating order has come into force, rather than having to revisit the award to apply the new rates at a later date. Article 2 retains long-standing administrative easements that support the annual uprating exercise. It is simply a case of delivering business as usual in a case where a person or their partner’s benefit income is the new state pension. These amendments will therefore apply for the first time in April 2017, with the first uprating exercise for the new state pension.

I turn to the amendment to do with appeal rights for national insurance credits. Article 3 amends schedule 3 to the Social Security Act 1998, which lists decisions that carry the right of appeal. This schedule already includes decisions on credits awarded under the old 1975 credits regulations, and also needs to include those provided for under part 8 of the new State Pension Regulations 2015. The policy intention is that decisions made they will carry an appeal right. There will be no substantial difference in outcome between an original decision, had it been appealable and successfully appealed, and a fresh decision that is successfully appealed. A successful appellant will have credits awarded to them.

Importantly, I reassure the House that, to date, no one has in practice been affected. That may seem unlikely at first glance, but there are a number of reasons for it. First, the omission can affect only certain decisions made since 6 April 2016. Secondly, it affects only credits for which a person has to apply.

The practical impact of this gap in the law relates only to decisions about credit that a person has applied for since 6 April 2016. They include new credits that cover past periods in which a person was accompanying their armed forces spouse or civil partner on an overseas posting. Ordinarily, credits awarded for the tax year 2016-17 would be taken into account only in the assessment of new state pension awards that will be made after 6 April 2017. However, those new credits could affect state pension awards made since 6 April 2016.

A further mitigation is that, before a person can lodge an appeal, they have to ask for the decision to be reconsidered by a decision maker—a process known as mandatory reconsideration. Mandatory reconsideration enables a decision maker to reconsider the decision and the facts taken into account in making it. If, on reflection, it is considered that the decision should be changed, it can be revised without the claimant having to go through the whole appeal process. HMRC data from the last tax year, 2015-16, tell us that fewer than 10 cases where a credits decision under the 1975 regulations was disputed ended up progressing to appeal.

Finally, out of 324 applications for the new armed forces partner credits that have been refused up to 5 September, 201 of those refusals were because the tax year being applied for was already a qualifying year for other reasons, so the applicant would not need the credit in order to establish their new state pension entitlement.

It is an unfortunate situation, but I hope that I have reassured the House that, even if a case did materialise, we have measures in place to ensure that, while justice may be delayed, it will not be denied. We are confident that no individual will be disadvantaged by the oversight.

I am sure you will be delighted, Madam Deputy Speaker, that I can confirm that I am satisfied that the instrument is compatible with the European convention on human rights, and I commend the order to the House.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I warmly thank the Minister for introducing the order. May I also take this opportunity to welcome him to his place? It is nice to see him there.

Although I recognise that the order principally tidies up existing legislation—as such, I will not oppose it—I want to make a few comments about articles 2 and 3, as well as about the decision not to conduct an impact assessment.

Article 2 enables the income-related benefits awarded to recipients to be adjusted to account for additional income being received through an uprating of the new state pension, without requiring Secretary of State oversight,
as the Minister has explained. The arrangement applies to the old state pension and it is now being carried forward to the new one, so it is relatively uncontroversial. However, I want to push the Minister on the specific changes to entitlements for couples.

The explanatory memorandum states that, currently, where one member of a couple has reached a qualifying age for pension credit but the other has not, the couple can choose to claim either pension credit or the relevant working-age benefit. The explanatory memorandum points out that most choose to go for pension credit as, should they choose to access the working-age benefit, they will be subject to conditions that do not apply to pension credit. From 2018, it is planned to remove the option to claim pension credit, replacing it with universal credit for mixed-age couples making new claims.

What are the proposed transitional arrangements to cover those changes? Would someone covered by transitional protections who loses their entitlement to pension credit for a short period then be expected to enrol on universal credit? How do the Government plan to communicate those changes? Given the important differences in the amount awarded under pension credit compared with most other working-age entitlements, as well as the strict conditionality requirements of universal credit, I am sure that the Minister will agree that it is very important to ensure that all those affected are well informed.

Article 3 provides for a right of appeal against a decision as to whether a person is to be credited with earnings or contributions for the purposes of entitlement to the state pension. Under the old state pension, people who reached state pension age before 6 April 2016 already had a right to appeal decisions regarding whether they were eligible for credits. The order, as the Minister has explained, extends that right of appeal to the new state pension.

The explanatory memorandum states that that right should have been in place from 6 April 2016 but that it was “unfortunately overlooked”. That omission is disappointing, not least for those who might have been affected. Although the Minister has taken pains to explain that it has not affected anybody and that there are measures in place to ensure that no one will lose out, I would be grateful if he wrote to me to clarify how many people have been denied a claim since 6 April and who might have been affected. For example, were women and people on low incomes more likely to have been affected? I would also be grateful if he confirmed in writing how the situation for all those who have had applications for credits declined will be resolved?

I want briefly to touch on the related issue of take-up of national insurance credits. NI credits cover circumstances in which people are not working, and in some cases they require an application to be made. In 2013, the Government acknowledged that there was a low level of awareness and understanding of some NI credits, such as carer’s credit. They said that the low take-up rate suggested that the credits were “not achieving their stated aim of protecting the state pension position of individuals who take time out of paid employment due to caring responsibilities”.

Of course, in many cases, those affected are women.

The Government undertook to review the system, develop a customer-focused communications strategy and work with outside agencies to encourage take-up. They said that state pension statements, which individuals have to request, would be the vehicle for providing individuals with personalised information about their entitlement. In last week’s debate on this order in the other place, the Minister for Welfare Reform said:

“There are around 400,000 eligible for carer’s credit and, in August, there were 10,900 recipients.”—[Official Report, House of Lords, 8 September 2016; Vol. 774, c. 1221.] According to my maths, that is about one in 40, which means that a very low proportion of those who are eligible to apply have received entitlements. Do the Government have plans to review their approach and to look again at some of the recommendations made by the Work and Pensions Committee in its report, “Communication of the new state pension”?

Finally, I want to push the Minister on the decision not to undertake an impact assessment when preparing the order. The Government argue that the order has no impact on civil organisations or the private sector. Is this not a narrow interpretation of when an impact assessment should be carried out? Can the Minister reassure the Opposition that a dangerous precedent is not being set? As we know, impact assessments by this Government have tended to be rather inadequate.

3.10 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I welcome the Minister to his place. It is a pleasure to see him here. We on the Scottish National Party Benches look forward to working with him to the benefit of pensioners when it is appropriate to do so.

We welcome the measure in so far as it enables the award of certain income-related benefits to be adjusted automatically when the new state pension is uprated, but when the measure was drawn up was consideration given to the results of the EU referendum and the uncertainty that arises for the 400,000 UK pensioners living in EU countries? The House will be aware that long-standing rules enable the co-ordination of social security entitlements for people moving within the EU. One result is that the UK state pensioners resident in EU countries receive annual increases to their UK state pension. Elsewhere, the UK state pension is uprated only if there is a reciprocal social security agreement requiring this.

The Government could have taken the opportunity today with these measures to address the concerns of the 400,000 UK pensioners living in the EU. Why has this not been done? Does the Minister agree that those UK citizens residing in EU countries who are entitled to a UK pension and all annual increments, as would be the case if they were living in the UK, should have those rights protected after the Brexit vote? Can he give us an assurance today that this will happen?

In a parliamentary answer on the issue on 8 July the then Minister for Europe, now Leader of the House, said:

“It will be for the next Prime Minister to determine, along with their Cabinet, exactly the right approach to take in negotiating these provisions going forward but the Government’s guiding principle will be ensuring the best possible outcome for the British people.”
Given that the Prime Minister has had time to settle in, there has been ample opportunity to address this question. May we have an answer today and remove this uncertainty for UK pensioners? Prior to our entry into the EU, the UK had bilateral arrangements with a number of European countries. What will be the situation where this was previously the case? Do those arrangements remain in force and can the Minister reassure pensioners in those countries?

The measures before us also fail to address the issue of the 500,000 UK pensioners living in territories where there is no annual uprating. Why are not the Government bringing forward today plans to restore annual uprating to all British pensioners, based on entitlement and regardless of domicile? It is morally unjust and truly unfair for the Government to strip pensioners of their right to equal state pension payments. There are a host of reasons why a pensioner may choose to move abroad in later life, such as wanting to be closer to family or friends, or to enjoy a different lifestyle. It is simply wrong to punish them for making that choice.

Pensioners who have paid the required national insurance contributions during their working lives, in expectation of a decent basic pension in retirement, will find themselves living on incomes that fall in real terms year on year. Payment of national insurance contributions in order to qualify for a state pension is mandatory. All recipients of the British state pension have made these contributions, and although historically the level of pension received has varied according to the level of contributions made, it is clearly unfair to differentiate payment levels by any other criterion.

Pensioners will now face ending their days in poverty because they chose to live in the wrong country, in most cases without any knowledge of the implications of their choice for their pension. Others are forced back to the UK, away from the family they love, just to secure an income on which they can retire. All should receive their full and uprated pension according to their contribution, regardless of where they choose to reside. Reform would bring the UK into line with international norms, as most other developed countries now pay their state pension equivalents in this way. We are the only OECD member that does not do so.

Most pensioners had no idea that their pension would be frozen when they chose to emigrate. The frozen pension policy acts as a disincentive to pensioner emigration. As the International Consortium of British Pensioners put it, people currently living in the UK who would like to emigrate and who are aware of the frozen pension policy know they would not be able to afford to live on a state pension at its current level in their older years, by which time inflation will have decreased its value, and accordingly they decide not to move.

There is a real disparity in the treatment of UK pensioners and no consistency in how overseas British pensioners are treated. Those who live in the US Virgin Islands get a full UK state pension; those who live in the British Virgin Islands do not. Overseas pensioners are entitled to fairness. The state pension is, after all, a right, not a privilege. It is not a benefit; it is an entitlement to a pension based on paying national insurance contributions.

Given that the measures before us are provisions that support the annual exercise to uprate social security benefits in payment, will the Minister clarify the Government’s position on the triple lock? There have been suggestions that the triple lock may not survive. We on the SNP Benches fully support the continuation of the triple lock. It is the right thing to do to protect the interests of our pensioners. Will the Minister join me in championing the triple lock and commit the Government to continuing with it?

As we are talking about pensioners’ rights, equity and fairness, can the Minister tell us why, when we are discussing the state pension, there is no mention of the WASPI—Women against State Pension Inequality—women and no solution to the injustices that many face in this secondary legislation package? It is not right that women born after 1953 are having to wait so much longer than those born in previous years to collect their state pension. The Government will have to bring forward mitigation to deal with these injustices, and do so quickly. Why are there no measures in this package to deal with those issues?

3.17 pm

Richard Harrington: I am grateful to the hon. Members for Oldham East and Saddleworth (Debbie Abrahams) and for Ross, Skye and Lochaber (Ian Blackford) for their contributions to the debate and for their kind words, which I appreciate. I am sure this will be the first of many occasions when we take part in such debates.

Let me deal briefly with the points that the hon. Gentleman made. I am aware that he has spoken many times on the frozen pensions issue, but the policy on that is unchanged. It has been in place for almost 70 years, under all sorts of Governments, and there are no plans to change it. The Government comply with their legal obligations where reciprocal agreements exist with other countries. There are no plans to change that and I would not like to mislead the hon. Gentleman by saying that there are.

On the triple lock, I will happily send the hon. Gentleman a copy of the Conservative party manifesto, if he is interested. I am sure it is still available from all good bookshops, and probably some bad bookshops as well. The Government are committed to retaining the triple lock throughout this Parliament. They have said so several times in the past and I am happy to repeat it for him.

The hon. Lady commented on the statutory instrument. On the transitional arrangements—for example, on ending the choice for mixed-age couples—the choice is ending because it is not right that a working-age customer should be exempt from any work-related conditionality just because they have a pension-age partner. Couples in receipt of pension credit at the date that the change is introduced will continue to be eligible for pension credit unless entitlement ends for some other reason—some change in their circumstances.

The hon. Lady asked me if I could indicate the number of claimants to date who had been denied a change in their circumstances. There are no plans to change that and I would not like to mislead the hon. Gentleman by saying that there are.

Very briefly—hon. and right hon. Members have had a lot of patience with this statutory instrument—the credits affected include applications predominantly for
[Richard Harrington]

spouses and civil partners of members of the armed forces, as the hon. Lady said, but also for partners of recipients of child benefit where entitlement to the credit is transferred to the applicant, for people providing care for a child under the age of 12—that is called grandparent credit—for being a foster parent and for persons approaching pensionable age.

I have explained what the order covers and these consequential amendments, and we have been through them both in quite some detail. We have acknowledged the gap in the law. This is the first time we have dealt with that gap in the law, but we have put mechanisms in place to make sure that no one is disadvantaged. Fortunately, we have not yet needed to employ them because no one has sought to employ them because no one has sought to appeal.

I hope I have provided the clarification that the hon. Members required, but I am very happy to speak to them separately, should they require further clarification. I commend this order to the House.

Question put and agreed to.

Madam Deputy Speaker (Natascha Engel): We now come to motion 4 on local government. I remind the House that as the Speaker has certified that this instrument relates exclusively to England and is within devolved legislative competence, this motion is subject to double majority. If a Division is called, all Members of the House are able to vote in the Division. Under Standing Order No. 83Q, the motion will be agreed only if, of those voting, both a majority of all Members and a majority of Members representing constituencies in England vote in support of the motion. At the end, the Tellers will report the results, first, for all Members and, secondly, for those representing constituencies in England.

Business Without Debate

DELEGATED LEGISLATION

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

LOCAL GOVERNMENT

That the draft West Midlands Combined Authority (Election of Mayor) Order 2016, which was laid before this House on 30 June, be approved.—(Andrew Percy.)

The House divided: Ayes 290, Noes 3.

Votes cast by Members for constituencies in England: Ayes 271, Noes 3.

Division No. 66] [3.22 pm

AYES

Barrow, Victoria
Bottomley, Sir Peter
Bradly, rh Karen
Brady, Mr Graham
Brake, rh Tom
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Carswell, Mr Douglas
Cartlidge, James
Cash, Sir William
Cautfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clevery, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Crabb, rh Stephen
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, sir Jeffrey M.
Donelan, Michelle
Donries, Nadine
Double, Steve
Dowden, Oliver
Doyele-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Epiphicke, Charlie
Evans, Graham
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Furley, Richard
Fysh, Marcus
Gale, Sir Roger
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halon, rh Robert
Hall, Luke
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Hermon, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinsrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamb, rh Norman
Lancaster, Mark
Latham, Pauline
Lee, Dr Philip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Sir Oliver
Lewis, Brandon
Liddell-Grange, Mr Ian
Liddington, rh Mr David
Lilley, rh Mr Peter
Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I beg to move,

That this House notes with concern that NHS Sustainability and Transformation Plans are expected to lead to significant cuts or changes to frontline services; believes that the process agreed by the Government in December 2015 lacks transparency and the timeline announced by NHS England is insufficient to finalise such a major restructure of the NHS; further believes that the timetable does not allow for adequate public or Parliamentary engagement in the formulation of the plans; and calls on the Government to publish the Plans and to provide an adequate consultation period for the public and practitioners to respond.

I am glad to open this debate on the NHS sustainability and transformation plans. As the whole House knows, the NHS has a special place in the affections of our constituents. No other public service engages with us all when we are at our most vulnerable—in birth, death and illness—and the public and NHS staff are increasingly aware that the NHS is under severe financial pressure, a matter I will return to.

In that context of financial pressure and concern about the availability of services, the sustainability and transformation plans are arousing concern. They sound anodyne and managerial, and there is undoubtedly a case for bringing health and social care stakeholders together to improve planning and co-ordination. But the concern is that, in reality, the plans will be used to force through cuts and close hospitals, will make it harder for patients to access face-to-face consultations and will require GPs to participate in new models of care, which will impact on patients. It tells the public how little the Secretary of State cares about their concerns that he is not in the Chamber to listen or respond to this debate.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I beg to move,

That this House notes with concern that NHS Sustainability and Transformation Plans are expected to lead to significant cuts or changes to frontline services; believes that the process agreed by the Government in December 2015 lacks transparency and the timeline announced by NHS England is insufficient to finalise such a major restructure of the NHS; further believes that the timetable does not allow for adequate public or Parliamentary engagement in the formulation of the plans; and calls on the Government to publish the Plans and to provide an adequate consultation period for the public and practitioners to respond.

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In that context of financial pressure and concern about the availability of services, the sustainability and transformation plans are arousing concern. They sound anodyne and managerial, and there is undoubtedly a case for bringing health and social care stakeholders together to improve planning and co-ordination. But the concern is that, in reality, the plans will be used to force through cuts and close hospitals, will make it harder for patients to access face-to-face consultations and will require GPs to participate in new models of care, which will impact on patients. It tells the public how little the Secretary of State cares about their concerns that he is not in the Chamber to listen or respond to this debate. We know that recently he has missed all seven recent meetings of the NHS board. The public are entitled to ask how much he cares about their very real concerns.

Helen Whately (Faversham and Mid Kent) (Con): The hon. Lady mentioned cuts, but this Government are putting more money into the national health service—an extra £10 billion a year. The Labour party had no intention of making that sort of financial commitment to the NHS, as we saw in its failure to do so before the last election.

Ms Abbott: The NHS was never better funded than under the last Labour Government and the public know that. That is why they trust us with the NHS.

Dr Andrew Murrison (South West Wiltshire) (Con): Will the hon. Lady give way?

Ms Abbott: I need to make progress.

Steve McCabe (Birmingham, Selly Oak) (Lab): Will my hon. Friend give way?

Ms Abbott: Yes.

Hon. Members: Ah!
Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I think we can spot that the hon. Lady has just given way to a Government Member and now she is giving way to an Opposition Member. We do not need the cheering to go with it.

Steve McCabe: I want to check this with my hon. Friend. The last time I checked, Simon Stevens had said that STPs were designed to make up the £22 billion shortfall that the Government are not prepared to put in. Is that not the case?

Ms Abbott: It is indeed the case; rather than being an anodyne managerial exercise, the sustainability and transformation plans are designed to make up the missing £22 billion.

One of the most alarming aspects of the STPs is their secrecy. England has been divided into 44 regional footprints, and it is worth noting that they are called footprints to distract from the fact that they are ad hoc regional structures—they are the exact same regional structures that the Tory health Bill was supposed to sweep away. Because they are ad hoc and non-statutory, they are wholly unaccountable. In the world of the STPs, the public have no right to know.

Sir Simon Burns (Chelmsford) (Con): Will the hon. Lady give way?

Maria Eagle (Garston and Halewood) (Lab): Will my hon. Friend give way?

Ms Abbott: I give way to my hon. Friend.

Maria Eagle: I am grateful to the right hon. Gentleman. Friend for giving way. We have a leak of the STP for Merseyside and Cheshire, which states that there is an “appetite for reconfiguration” because the existing set-up is “currently unaffordable”. Given that it also says that almost a £1 billion gap is to be expected by 2021, and that the public have not yet been consulted, does my hon. Friend agree that when the public are consulted, there will be an absolute outcry?

Ms Abbott: That is the reason for the secrecy thus far. The Government know that if the public understood what STPs meant, there would be an outcry.

Norman Lamb (North Norfolk) (LD): Does the hon. Lady agree that unless the local community are fully engaged in the process of considering how the health and care system needs to change their area, the process is destined to fail and simply will not work?

Ms Abbott: I am grateful to the right hon. Gentleman. Friend. For nearly the whole time I have been in Parliament, there have been attempts to reconfigure hospitals and close A&Es and make other changes in London. We have found that when the local community does not take ownership of the plans, it is impossible to take them forward. That secrecy runs counter to making the reorganisations we might have to make.

Sir Simon Burns: Will the hon. Lady give way?

Ms Abbott: Initially, the STPs were discouraged from publishing their draft plans, freedom of information requests were met with blank replies, and enquirers were told that no minutes of STP board meetings existed. We are therefore bound to ask: if the plans are really in the interests of patients and the public, why has everyone been so anxious to ensure that patients and the public know as little as possible?

Sir Simon Burns: Will the hon. Lady give way?

Ms Abbott: In some cases, even local GPs have not been fully involved in decision making. Hon. Members may not take that seriously, but I assure them that their constituents will.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. It is up to the hon. Lady whether she wishes to give way or not. Shouting and screaming will not help with the debate, because Members on both sides want to hear. I am sure that, when she wants to give way, she will do so, but screaming will not help, and it certainly does not help my ears.

Ms Abbott: GP leaders in Birmingham said that it would appear that plans by the STP to transform general practice, and to transform massive amounts of secondary care work into general practice, are already far advanced. Only at this late stage have they been shared with GP provider representatives.

Alex Cunningham (Stockton North) (Lab): Freedom of information requests have also uncovered the substantial role of the private sector in formulating these plans. GE Healthcare Finnamore, for example, is advising STPs across the south-west, and I have no doubt that work is under way for it to get larger slices of the action in the future. In the name of transparency, does my hon. Friend agree that all their boards should publish everybody who is on them, with their declared interests as well?

Ms Abbott: I entirely agree with my hon. Friend. All STPs should publish who is on them, what their financial interests are, and how far advanced they are in planning. However, thanks to the work of organisations such as Open Democracy and 38 Degrees—and, frankly, thanks to leaks—the picture of what STPs will mean is becoming clearer.

We know from the information we have been able to glean that the reality of STPs is quite concerning. For instance, in the black country there are plans for major changes to frontline services at the Midland Metropolitan hospital, including the closure of the hospital’s accident and emergency. The plans also propose to close one of the two district general hospitals as part of a planned merger. We know that by 2021 the health and social care system in the black country is projected to be £476.6 million short of the funds it needs to balance its books.

Government Members may shout now, but they are going to need an answer for their constituents when the reality of some of these proposed closures becomes apparent.

In Leicester, Leicestershire and Rutland, there are apparently plans to reduce the number of hospitals in the area from three to two. By 2021, the health and social care system in the area will be £700 million short of the money it needs to balance its books. In Suffolk and north-east Essex, the STP plan refers to the “reconfiguration of acute services within our local hospital, Colchester Hospital University Trust."

I give way to my hon. Friend.
The whole House knows that, historically, reconfiguration in the NHS has meant cuts. There are also plans to close GP practices.

The context of these plans, of which I have given an idea, is the current NHS financial crisis. Most recently, we have heard from NHS providers about this financial crisis. They represent the NHS acute, ambulance, community and mental health services. NHS providers say that despite the best efforts of hardworking staff, including junior doctors, hospital accident and emergency performance is the worst it has ever been. Waiting lists for operations, at 3.9 million, are the highest they have been since December 2007. We ended the last financial year with trusts reporting the largest deficit in the history of the NHS: £2.45 billion.

Sir Simon Burns: Will the hon. Lady give way?

Ms Abbott: I have to make a little progress.

Many STPs will be facing a large financial deficit. "Interruption. I have to say to Government Members that they do not seem to be taking this debate seriously. When their constituents come to them asking about these cuts and closures, they will have to take it seriously. Many STPs will be facing a large financial deficit, which is subject to “control totals”—that is, cuts. In the case of north-west London, which does not have the largest projected deficit by any means, spending on acute care is projected to fall in nominal terms over a six-year period, despite a population that is both increasing and ageing, and despite cost pressures such as the sharply rising cost of drugs.

STPs have made an assessment of their own deficits by 2020-21. Researchers have disclosed that approximately 29 of the 44 STPs have projected substantial deficits.

Sir Simon Burns: Will the hon. Lady give way?

Ms Abbott: I have to make some progress.

Richard Fuller (Bedford) (Con): On a point of order, Mr Deputy Speaker. Is it a requirement for a Member of this House to know the difference between a debate and a monologue?

Mr Deputy Speaker (Mr Lindsay Hoyle): It is for me to make that decision. I am quite happy for the shadow Secretary of State to decide whether she wishes to give way or not. In fairness, this is an Opposition debate, and the hon. Lady is leading it. Let us not have any more pointless points of order. I am worried about how many Members want to speak; I want to try to get everybody in.

Ms Abbott: So when the STPs talk about efficiency, they actually mean cuts. Increasingly at the heart of these STPs are asset sales of land or buildings to cover deficits. No wonder the leader of Hammersmith and Fulham Council, Stephen Cowan, has said of his local STPs that “this is about closing hospitals and getting capital receipts”.

He went on: “It’s a cynical rehash of earlier plans. It’s about the breaking up and the selling off of the NHS.”

Sir Simon Burns rose—

Ms Abbott: I need to make some progress.

The King’s Fund has said:

“There are some concerns that NHS leaders have focused their efforts on plans for reconfiguring a few hospital services, despite evidence that major acute reconfigurations rarely actually save money and sometimes fail to improve the quality of care.”

The BMA has said the same thing. The King’s Fund has also said:

“The cuts under the STPs are eye-watering”.

Anna Soubry (Broxtowe) (Con) rose—

Ms Abbott: I am anxious to complete my remarks so that Conservative Members will all get a chance to intervene in the debate.

The Health Select Committee’s recent report on the impact of the 2015 spending review stated:

“At present the Sustainability and Transformation Fund is being used largely to ‘sustain’ in the form of plugging provider deficits rather than in transforming the system at scale and pace. If the financial situation of trusts is not resolved or, worse, deteriorates further, it is likely that the overwhelming majority of the Fund will continue to be used to correct short-term problems rather than to support long-term solutions”.

Sir Simon Burns rose—

Anna Soubry rose—

Ms Abbott: Other aspects of the STPs that relate to cutting expenditure involve a combination of factors, including the use of new technology such as apps and Skype, patients taking more responsibility for their own health, “new pathways” for elderly care, increased reliance on volunteers and the downgrading of treatment by skills, responsibilities and pay bands. It seems to me that while some of these proposals might have some merit in themselves, it is delusional to imagine that they will deal with the financial black hole in the NHS. There is no evidence that among the patient population as a whole, increased use of apps, Skype and telemedicine can produce the efficiencies required while beds, units, departments and hospitals are being closed.

I remind Members, many of whom speak to their constituents in their advice surgeries on a weekly basis, that the truth about speaking to people face to face is that it is often towards the end of the conversation that people will come out with what really concerns them. My concern about the increased use of Skype is that many patients will not get the familiarity and comfortableness with their interlocutors to enable them to say at the end of the Skype session what it is that they are concerned about.

The STPs talk a great deal about increasing preventive medicine. That would indeed have the effect of lowering demand for acute NHS care, but it would also require a very substantial investment in public health programmes and this Government have just cut public health funding. The elderly, the poor and patients for whom English is not their first language are the least likely to use these apps, telemedicine and Skype. It is inappropriate and unrealistic to assume that elderly patients who, I remind Members, are the biggest users of acute care and the fastest-growing demographic, will want to use Skype for any sensitive matter. “New pathways” for the elderly is sufficiently vague as an idea to raise alarm bells, given the projected rise in demand for geriatric services and continuing cuts in social care funding.
Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is making a very important point. She has already touched on the financial problems in the NHS, but allied to those are the financial problems in adult social care. We shall not have the truly integrated health and social care that we all desire when these STPs are being swept under the doors without people knowing precisely what they will mean for public services in their areas.

Ms Abbott: My hon. Friend has made an important point.

The danger is that, in a blizzard of apps and Skype, patients—particularly the elderly—will find it harder to access one-to-one care, and that those who can afford it will find themselves forced into the private sector.

Let me now say a word about the increasing private sector involvement in the NHS.

Sir Simon Burns: Will the hon. Lady give way?

Ms Abbott: It was the NHS England director of STPs, Michael McDonnell, who said that they “offer private sector and third sector organisations an enormous amount of opportunity”.

We know that PricewaterhouseCoopers has been heavily involved in the formulation of a large number of these plans, and we know that—as was mentioned earlier—GE Healthcare Fannimore, which was taken over by General Electric in the United States, has been heavily involved in the formulation of plans in the south-west and possibly more widely. The strong suspicion is that a combination of cuts, the reorganisation of services on a geographical basis, and the growth of hospital “chains” will facilitate greater privatisation of the NHS.

Dr Murrison: Will the hon. Lady give way?

Anna Soubry: Will the hon. Lady give way?

Sir Simon Burns: Will the hon. Lady give way, and if not, why not?

Ms Abbott: Let me now draw my speech to a close. It is absolutely right that health and social care stakeholders should come together to plan for the future. It is absolutely wrong that social transformation plans should be hatched in secret and used as a cover for cuts and hospital closures—and it is increasingly clear that STPs may be a stalking horse for more privatisation. Conservative Members may not take this issue seriously—[Interruption]—and Conservative Members’ response may be to shout, but I stress to the House that the consequences of these STPs will be very material for all our constituents.

Anna Soubry: Will the hon. Lady give way?

Ms Abbott: They will also be very material for those who work in the NHS. I take this issue seriously. [Interruption.] That is why we have called the debate, and I wait with interest to hear what Ministers have to say.

3.57 pm

The Minister of State, Department of Health (Mr Philip Dunne): It is a pleasure to be here today, and I welcome the hon. Member for Hackney North and Stoke Newington (Ms Abbott) to her post. I think this is the first time she has opened a debate in her present position, and I am pleased to be doing so for the first time myself. I believe that she was appointed about three weeks before me, and I think it would be fair to say that we are both on a steep learning curve.

I am also pleased that the hon. Lady has chosen the sustainability and transformation plans as the subject of the debate, because that gives me an opportunity to correct some of the misconceptions that she has just revealed, and, more importantly, to inform the whole House of the status of the NHS’s plans. Let me begin by reminding the House of their origins. The NHS’s own plans for the future, set out in the “Five Year Forward View” and endorsed by the Government—but not, as it happens, by the Labour party—recognised three great challenges facing the NHS: health and wellbeing, care and quality, and finance and efficiency.

Bill Wiggin (North Herefordshire) (Con): May I congratulate my hon. Friend. And say how delighted I am to see him at the Dispatch Box fulfilling such a crucial brief? While he is on his steep learning curve, will he visit Hereford County hospital, so that he can understand the difficulties faced by rural patients and see what he can do to help us?

Mr Dunne: I am delighted to accept that invitation from my neighbour and friend, not least because many of my constituents look to Hereford County hospital for their acute care, but also because it is one of the hospital trusts that are in special measures, which is my specific responsibility. I look forward to seeing my hon. Friend there, perhaps even during the coming recess.

Norman Lamb: I wish the Minister all the best in his new role. Does he share my concern about the evidence from around the country that in many areas mental health is peripheral to the STP process? Will he ensure that no STP plan will be accepted unless mental health is central to it?

Mr Dunne: I am grateful for that intervention from the right hon. Gentleman, who has taken such a personal interest in this subject. I can confirm that mental health is one of the issues that will be addressed in each of the plans that will be taken forward. I hope that reassurance helps.

Several hon. Members rose—

Mr Dunne: I am going to make a little progress, as I have only just started.

The “Five Year Forward View” also recognised that the challenges facing different areas of the country differ, so the issues facing Hackney are not the same as the issues facing Ludlow, and a single national plan would not be effective or appropriate. Indeed, the Labour party recognised that in its 2015 general election manifesto, which most Labour Members present stood on. It said: “To reshape services over the next 10 years, the NHS will need the freedom to collaborate, integrate and merge across organisational divides.”

Sir Simon Burns: Will my hon. Friend give way?

Catherine West (Hornsey and Wood Green) (Lab): Will the Minister give way?
Mr Dunne: I give way to the hon. Lady.

Catherine West: I thank the Minister for giving way and hope he does well in his first performance here in the House. What percentage of acute trusts are in deficit, and what proportion of clinical commissioning groups are in special measures?

Mr Dunne: Many trusts were in deficit in the last financial year, and those deficits were funded by the Department of Health. Looking forward, we are using the financial discipline of control totals not to instigate cuts, as the hon. Member for Hackney North and Stoke Newington suggested, but to hold the accountable managers to account for delivering within the financial envelope that those control totals represent. That is what a responsible Government do—we give money to public services and expect them to live within those means. This year the NHS has received one of the largest cash settlements it has ever had, three times more than the rate of inflation.

Dr Murrison: I am very grateful to my hon. Friend for giving way, a courtesy not extended by the Opposition Front Bench.

May I ask my hon. Friend to look very closely at STP footprints? The experience of those of us who represent rural areas is that aligning our areas with more urban centres can often mean that our constituents get a raw deal, and since my footprint includes urban areas in Bath and Swindon I am slightly concerned that the same thing may happen again.

Mr Dunne: If I manage to get there, I am going to come on to the footprints and how it was that 44 areas were identified, but in rural areas in Wiltshire and Shropshire we do look to urban areas to provide the acute care for all our local residents, so it is appropriate that the footprint areas encompass both the acute and the full range of primary sectors.

Mr Jim Cunningham (Coventry South) (Lab): I welcome the Minister to his new job. What is happening in relation to bed-blocking, and what are the Government and the national health service doing to deal with care in the community in particular?

Mr Dunne: The hon. Gentleman raises a critical point and one of the real challenges facing the NHS at present, which is how to make discharge out of the acute setting, and movement right the way through the patient flow, more effective. As I will come on to say—if I get there—that is precisely why we are looking at bringing local authorities into the footprints for these STPs, so that the entire patient pathway can be taken into account.

Several hon. Members rose—

Mr Dunne: I give way to my right hon. Friend. Friend, because the shadow Secretary of State does not seem to have fully grasped the brief, will my hon. Friend, with his superior knowledge, explain categorically to the House about transparency in the health service with regard to not only STPs but other reconfigurations? There automatically always has to be a public consultation with local communities before any decisions are made—something that the shadow Secretary of State seems to be totally oblivious of.

Mr Dunne: I am grateful to my right hon. Friend, who has a great deal of experience in this area, having served in the Department for many years. He has pre-empted what I am about to say, which is that all the STPs will be subject to full and appropriate public consultation once we are in a position to do that.

Maria Eagle: It is clear from the leaked document that Merseyside and Cheshire are looking to save £1 billion by 2021. In that context, does the Minister not agree that there will be an outcry when the secret proposals—which have now been leaked—to merge much-loved hospitals and cut services in Liverpool, for example, are finally consulted on? Does he acknowledge that they will have no chance of receiving any support?

Mr Dunne: The hon. Lady is leaping much too far ahead. There are no proposals at this point. I will explain the exact state of the STPs shortly. There are a number of draft ideas to try to improve the services that are delivered to patients. Looking to the future and the efficiencies that need to be provided, as part of the five-year forward view the NHS leadership asked the Government to fund £8 billion of additional cash for the NHS. We provided £10 billion; the Labour party refused to provide anything like it. In return, the NHS agreed to look for £22 billion of efficiencies up...
to 2020. We have assisted it through the efforts of Lord Carter, whom we asked to undertake a review of efficiencies across the NHS. He has identified 10 work streams in which clear efficiencies can be found—many of which, incidentally, have been identified by Opposition Members. The hon. Member for Hackney North and Stoke Newington herself has referred in the past to areas of the NHS in which there is waste, and a newspaper article this week by the former Chair of the Public Accounts Committee, the right hon. Member for Barking (Dame Margaret Hodge), referred to “absurdities” in the spending practices in the NHS. We are trying to put right some of the practices that have been swept under the carpet for too long.

Heidi Alexander (Lewisham East) (Lab): I turn now to the timetable and the progress that has been made so far. Each area was asked to work together over the first six months to draw up its initial thinking into a first draft plan by the end of June. Those plans were individually reviewed by senior leaders from NHS England and NHS Improvement during July and August. Each area is now in the process of developing its STP, with a view to submitting a worked-up plan to NHS England in October. The plans, as one would expect, will vary in their proposals, but all are expected to demonstrate a shared understanding of where an area is in relation to the three challenges set out in the five year forward view and where they need to be by 2020-21.

Mr Dunne: I am grateful to the Minister for giving way. He was very generous the last time I had an opportunity to intervene on him.

Part of the concern in my constituency about the north-west London STP relates to the fact that Harrow receives less NHS funding per patient than any other part of London. For some months we have sought a meeting with a Health Minister to discuss that issue. Is the Minister prepared to receive a delegation from our clinical commissioning group?

Mr Dunne: I am grateful to the hon. Gentleman for his kind words about my willingness to take interventions from both sides of the House. I am interested that the hon. Gentleman should mention funding allocations. Across the NHS, the allocations are a legacy of the formulas that were set in place by the Labour Government, of which he was a member. People across the country, not least in rural areas such as Shropshire, cannot understand why the funding per capita is much less generous in some parts of the country than in others. I am taking an interest in that and would be willing to sit down with him and other colleagues to understand the particular circumstances in north-west London, which we will have to do after the coming recess.

Returning to the progress that is being made, all the plans are expected to present an overall strategy for their area and to identify the top three to five priorities required. In the most advanced plans, we are also expecting areas to set out how they will deliver a number of national priorities, including on mental health and diabetes. Some will build on the early work of vanguard or Success Regime joint working, which has been developing better co-ordinated care models over the past year or so.

Sue Hayman (Workington) (Lab): Will the Minister give way?

Mr Dunne: Shortly. I must make some progress.

The plans offer the NHS a unique opportunity to think strategically. For the first time, the NHS is planning across multiple organisations—both commissioners and providers—with local authorities to address the whole health needs of an area and the people it serves. Also for the first time, the NHS is producing multi-year plans showing clearly how local services will develop over the next five years to deliver real improvements in patient care and better efficiency to ensure that the NHS continues to be able to cope with rising demand from our ageing population. That is leading some STPs to face up to tough choices about the future of some services. Such choices have often been postponed again and again because they were too hard or relied on individual organisations operating on their own to shoulder the responsibility rather than it being shared across the geography or the whole healthcare economy.

Antoinette Sandbach (Eddisbury) (Con): Does the Minister recognise the concerns in constituencies such as mine that have a border with Wales? The numerous closures of hospitals in Wales by the Labour Welsh Government are placing pressure on NHS trusts in Cheshire and Merseyside.

Mr Dunne: My constituency also shares a border with Wales, so I am acutely aware that Welsh patients regrettably have to wait longer and have worse access to treatment than those in England. Many of them look to English hospitals for services that are unfortunately not available in Wales, in part due to a conscious political decision of the Welsh Government to allocate less funding to the health service in Wales.

Alex Cunningham: I met a young surgeon at my north-east hospital in a personal capacity last week. She was excellent and caring and was clear in what she had to explain to me. She was so dedicated that it made me proud that she worked for the NHS. I was not proud, however, to hear about the facilities with which she has to work following the cancellation of our new hospital project in 2010 by the Tory-Lib Dem Government. Does the Minister agree that we can have as many plans as we like, but if we do not have the infrastructure, we cannot deliver the care required by some of our neediest communities?

Mr Dunne: There is undoubted pressure on infrastructure, as there is on technology. As technology improves and becomes available to the NHS, it provides opportunity—for example, for much more care to be undertaken closer to the patient. In many cases, this can be done increasingly in or near their home. That will have consequences for our existing infrastructure estate, and some of that will lead to a reconfiguration of existing hospital services. There is a programme of renovation across our hospitals, but of course that cannot get to everywhere at the same time. I apologise to the hon. Gentleman that he does...
not have the shiny new hospital that he would like, but there is a building programme, which will continue in the future.

Sue Hayman rose—

Mr Dunne: I will now give way to the hon. Lady, who has been very patient.

Sue Hayman: I appreciate that. As the Minister is aware, we face particular issues in Cumbria, which has led to our having the Success regime. We are about to go into consultation on that, in key areas such as maternity, accident and emergency and the community hospital’s future. My constituents are concerned about how the STPs are going to fit in with the Success regime, what the fit will be and whether all that will be challenging and confusing.

Mr Dunne: As I have said, and as the hon. Lady knows, the Success regime in her area will become subsumed within the STP, but the advantages for areas in the Success regime is that it means the organisations have been working together for much longer than in the pure STP areas, and that will bring benefit in terms of the maturity of their plan and their willingness and ability to implement it.

Several hon. Members rose—

Mr Dunne: I am not going to take any more interventions, as I am going to have to wind up shortly.

The hon. Member for Hackney North and Stoke Newington has raised concerns in her remarks today and outside this place, and I would like to address a few of them before I finish. She has said that the STPs will result in significant cuts and changes to front-line services. I wish to make it absolutely clear to the House that, for all her protestations, these plans are not about cuts; they are about local areas, including commissioners, providers and local authorities, coming together and deciding how to improve services in the medium and long term. Some areas are taking difficult decisions, often looking to tackle long-standing problems, but this will be subject to rigorous local and national scrutiny. I can categorically assure her and this House that no changes will occur without local consultation and the normal process in the event of any proposed reconfiguration.

The hon. Lady has also accused the STP process of lacking transparency, being undertaken in secret and lacking time. Planning within the NHS is not new; an annual planning round culminates in December each year. As I have said, NHS England announced STPs publicly in its planning guidance published in December last year, and since then local STPs’ leads have been engaging locally, as they deem appropriate—there has been no secret. What is new is that for the first time in years different NHS bodies, with local authorities, have been working collaboratively together to develop these plans. The 44 local areas are submitting their worked-up plans to NHS England for consideration in October. The NHS will scrutinise these plans and make recommendations over which to take forward and prioritise for discussions with Ministers and for formal public consultation, which will follow. Implementation will take place once the feedback from consultation has been assessed, so that this implementation will begin from early next year, with timings dependent on each individual area’s specific proposals.

The hon. Lady has claimed that the process does not allow for adequate public or parliamentary engagement. These proposals remain at a draft stage, but we have made it clear to local leaders that they are responsible for ensuring that plans engage with all local stakeholders when they are ready, and proposed changes will be subject to local consultation. Many have already engaged with groups of clinicians and other stakeholders in their area in preparing draft plans. I have also indicated that local areas will be launching public consultations shortly, once their updated plans have been scrutinised by NHS England, and we welcome involvement from the public and from MPs. I have no doubt that there will be opportunities in the coming months for us to continue these discussions in this House and in the Department, and I will be willing to talk to MPs who are concerned about activities in their area.

The hon. Lady has called on the Government to publish the plans. As I have said, these plans are being prepared by local areas within the NHS, and they will be published and subject to further consultation in due course. She has also raised concerns about the use of private sector advisers in developing the STPs. I just point out gently to her that the development of the £38 billion programme for supporting the success of the NHS was led by the Cabinet Office, and she may well wonder whether or not that £38 billion programme was developed with the same level of transparency that she prayed in aid for much of her advice in preparing for this debate, relied itself on a private sector advisory group, whose report I happen to have here—Incisive Health, a recognised private sector adviser within the NHS and elsewhere. It is a bit rich of her to come to this House arguing against the use of the private sector when she does so herself.

Dr Philippa Whitford (Central Ayrshire) (SNP): I am sorry that this is such an acrimonious debate. I welcome the principle of the sustainability and transformation plans, as they are a key opportunity to reverse fragmentation and to reintegrate the NHS, but we have to get it right. To turn this whole matter into just a game of moving the deckchairs on the Titanic is something that we would all regret in a few years’ time. We are talking about a place-based approach, which is very similar to what we have in Scotland. I absolutely welcome it, but the places must be right—they need to cover the whole population and the geography must make sense. That is in the relationships of the organisations that are there, but we have to think of things such as public transport. There is no point plonking a community in an STP if there are no connections to it. How these places are designed is really important, as are the partners that are in them. All of this should be about integration and re-integration from acute care through to primary care and local authority care. We need single pathways and wrap-around patient-centred care.

Andrew Gwynne: I have some sympathy with what the hon. Lady is saying. Does she agree that that integration will not happen if any one part of those partnerships is severely underfunded? For example, she mentions local authorities. Many of the pressures in the NHS today are solely as a result of the severe underfunding of adult social care. Do we not need to ensure that the finances are in place for these STPs to work?

Dr Whitford: I totally agree with the hon. Gentleman. I was about to come on to that. However, it is not just the funding, but the entire model. The tariff model that
[Dr Philippa Whitford]

we have at the moment rewards hospitals for doing more minor things, and punishes them for doing more acute things. Taking on more A&E cases and more complex cases, working harder and doing more make their deficits grow. Our problem is that we have all sorts of perverse incentives in the system that mean that organisations will still be looking out for their budgets and their survival instead of working together.

In Scotland, we got rid of hospital trusts and primary care trusts, and, since 2014, we have had integrated joint boards. Those boards were handed joint funding that came from health and the local authority, which meant that the whole business of “your purse or my purse” disappeared. They were then able to start to look at the patient’s journey and the best way to make the pathway smooth. That is what we want to see.

Having a shared vision of where we are trying to go to is crucial. That means that stakeholders—both the people who work in the NHS and the people who use it—need to believe in where we are trying to get to. Public conversations and public involvement are the way forward. We should not be consulting on something that has already been signed off, but involving people in what they would like the plans to be, as that would make those plans much stronger.

We need to make deep-seated changes to the system, as opposed to only talking about the money for the deficits. This is something that the Health Committee has been talking about for ages. The phrase “sustainability” has become shorthand for paying off the deficit. Of the £2.1 billion earmarked for sustainability and transformation, £1.8 billion is for deficits, which leaves only £300 million to change an entire system. I know that we talk about money a lot in here, and of course it is important, but we have far bigger sustainability issues than the £2.5 billion deficit in the NHS. We have an ageing population, and those people are carrying more and more chronic illnesses, which means that we have more demand, more complexity and more complications. That is one of the things that is pushing the NHS to fall over. On the other side of that, we have a shortage in our workforce; we do not have enough nurses or doctors, and that includes specialists, consultants, A&E and particularly general practitioners. Although the advice has been very much that finances were third, and prevention and quality of care were meant to come first and second in delivering the five year forward view, finances seem to be trumping everything else.

It is absolutely correct that health is no longer buildings; there are lots of methods of health that are bringing care closer to patients, and also some things that are taking patients further away from their homes. We have hyper-acute stroke units, and we have urgent cardiac units, where they will get an angiogram and an angioplasty that will prevent heart failure in the future. However, we cannot start this process there; we cannot shut hospitals and units to free up money to do better things. We have to actually go for the transformation and do the better things first. We have to design the service around the pathways we need—that wrap-around care for patients—and then work backwards. If more health and treatment is coming closer to the patient, at some point they will say, “Actually, I don’t go to the hospital very often. I want the hospital to have everything it needs when I need it.” Then we can look at the estate to see whether we have the right size of units and the right type of units in the right place. What concerns me is that the process we have seems to be the other way around—we are starting with hospitals, which is often a very expensive thing to do, and hoping it will deliver everything else.

Norman Lamb rose—

Dr Whitford: I give way to Norman.

Norman Lamb: I am grateful to the hon. Lady for giving way, even if she used my first name. Does she share my concern that, out of the original sum allocated for this sustainability and transformation process, the vast bulk appears to be going, in effect, to propping up acute trusts that face substantial deficits, and that little is available for transformation?

Dr Whitford: As I said, the proposals leave only £300 million. We cannot transform a system on the scale that is being considered with £300 million.

As I said, the guidance talks about prevention. We need to be tackling health inequalities. We need to be focusing on health and wellbeing—and by that I do mean physical and mental wellbeing. We need to be strengthening public health—something else that has been cut. We need to be looking at the quality of health and care, and that means right across into social care. We must fund social care, because it can make a difference to things like delayed discharges. We are not even three years into the integration in Scotland—we are only two and a half years into it—but delayed discharges have dropped 9%. Yet, the last time the Secretary of State was in the Health Committee, they had gone up 32% in NHS England. So literally just moving things around and allowing one part of the system to fail will mean that the entire system fails.

Dr Murrison: I always listen with great care to what the hon. Lady has to say, and I agree with a great deal of it. Does she agree that part of the problem in England in relation to delayed discharges has been that we have seen a retrenchment of community hospitals and their beds, which have provided step-up, step-down care—intermediate care beds. Unfortunately, they are no longer available, which means inevitably that hospital discharges are delayed, with all the distress that causes.

Dr Whitford: I totally agree with the hon. Gentleman. I think it is about care in the home for those who are able to have that and convalescence for those who require it; that, basically, is the step up, step down. In my health board in Ayrshire and Arran, we have rebuilt the three cottage hospitals. They are now modern, state-of-the-art, small units. That means that our population has less far to travel and that older people will not, in the end, need to come to hospital. Now, we are still in that transition; those units are not doing everything they have the potential for—indeed, we are a rural population. However, certainly in Scotland, there is much more recognition that we need intermediate care between people being at home and being looked after by their GP, and people ending up in a very expensive acute unit. It is not just about finance; any Member who has been in hospital knows they do not want to be there, and nor do our elderly population. These levels of care are therefore crucial, and it is important that that grows out of the STPs. I see that as a crucial opportunity for the NHS, which cannot be missed.
Barbara Keeley (Worsley and Eccles South) (Lab): Does the hon. Lady agree that there is a startling fact about the underfunding of social care that Ministers cannot get away from, whatever they do or say? We have heard today of the case of care workers who are suing the contractor that they work for because they were paid only £3.27 an hour. How can somebody be discharged from hospital in an inadequate way when that is the domiciliary care that will be waiting for them? It was interesting to hear the former care Minister, the right hon. Member for North East Bedfordshire (Alistair Burt), say this morning that “we have not got the cost of... adult social care really sorted out.”

Dr Whitford: I totally agree with the hon. Lady. I am not sure whether she took part in the carers debate that we had not that long ago, where I pointed out that unless we develop social care as a profession, then we all face a fairly miserable time in our old age. Nursing is a profession that is recognised and valued, and caring for our older ill population should also be recognised. We need to recognise them, to give them time to do their jobs, to pay them adequately, and to give them a career development structure that means that we bring the best people up and get them running teams.

As I said, I am disappointed by the aggression on both sides of the House. I know that such a debate is always a good tennis match for point-scoring, but the development of the STPs is an opportunity to do things that everyone in this House would agree with. However, if it is not done properly—if it is just a fig leaf whereby we pretend that something is being done—the NHS will suffer and we will be the generation of politicians who moved the deckchairs on the Titanic.

4.31 pm

Dr Sarah Wollaston (Totnes) (Con): It is a pleasure to follow my colleague on the Health Committee, the hon. Member for Central Ayrshire (Dr Whitford).

I absolutely agree that we should see this as an opportunity to move away from a fragmented system where people are perhaps commissioning and providing care in isolated silos to one that looks across the whole system, and across geographical areas, so that we can move towards a truly integrated approach between health and social care. To do that, local authorities, as well as the health system, need to be involved in the STPs—and crucially, we need to involve local people. The lesson that we learn from every major reorganisation has been that if we take local people with us on the journey, and on the thinking behind it, it is much more likely to be successful. We should not see genuine local consultation and engagement as an inconvenience but as something that improves the eventual plans.

It is a real shame that this debate has developed a hashtag of “secretNHSplans”. I am afraid that NHS England now has to look at that, take a step back, and ask how it could have been better at engaging local communities—and those who represent them. It is a great shame that Members across this House were unable to see the draft plans until they were leaked to the press. That is not the right way forward for any genuine engagement.

Maria Caulfield (Lewes) (Con): Does my hon. Friend agree that if staff, whether nurses, doctors, physios or pharmacists, had been involved right from the start of the process, that would have helped staff morale in the NHS, which is struggling, and that they probably have the best ideas of anyone as to how the STPs could progress?

Dr Wollaston: I absolutely agree. This is about local communities and their representatives. Public meetings are important, but so are involving bodies such as HealthWatch and making sure that under-represented groups are involved. The right hon. Member for North Norfolk (Norman Lamb) talked about the need to involve mental health services in these plans. It is very important that we make sure that under-represented groups are involved, and that does include those who use mental health services.

Jack Dromey (Birmingham, Erdington) (Lab): The hon. Lady, with her lifetime of experience in the national health service, is absolutely right about the importance of consultation. Does she therefore understand the concern being expressed by the staff at the Dove sexual health centre in one of the poorest constituencies in England, Erdington, because none of its 2,000 patients has been consulted, and neither have any stakeholders, about a proposal to close this absolutely vital facility?

Dr Wollaston: I thank the hon. Gentleman for his intervention. As I said, the plans that are produced at the end of the day will be better if we involve those who are using the services and those providing them, as well as those commissioning them, as we go along, rather than present a plan, even if it is a draft, as a fait accompli, because then it becomes a binary choice rather than one where people can make suggestions to improve the plans as they develop.

Dr Philippa Whitford (Lochaber) (SNP): Does the hon. Lady agree that Scotland is a lot easier to get around in population terms, although size and transport are not always that easy, but one of the mechanisms that the Scottish Government use when developing strategies is what they call the national conversation, whereby the ministerial team literally go walkabout and have meetings to hear from people directly before anything goes on paper.

Dr Wollaston: If we get too caught up in the process of consultation, we will not address the other serious hurdles in the way of STPs achieving their aims, chief among which is the issue of finance. The NHS is now in its seventh year of a historic level of austerity, and the average of a 1.1% annual uplift in funding for the NHS over the past six years represents an extraordinary challenge in the context of increasing demand. It is good that we are living longer, but we are doing so with much more complex conditions, and the treatments available to tackle them are more expensive. We need to be clear that, because of that, and even though the settlement for health has undoubtedly been generous in relation to other Departments, a significant gap is opening up in health, and the situation is even worse in social care.

Figures from the Association of Directors of Adult Social Services show that 400,000 fewer people are in receipt of social care packages in 2015-16 than there were in 2009-10, and not only are fewer people receiving social care packages, but those packages are smaller. Many STPs are about transferring care into the community,
We need to make sure not only that the funding is available to provide those social care packages, but that we have the workforce to deliver them. The proposal in the area that I represent is to close two community hospitals that are used by my constituents. As a former rural general practitioner, I know just how important those facilities are to local people. They are special to them not only because of the step-up, step-down care that they provide and to which the hon. Lady has referred, but because these are the places that more people like to be at the end of their lives. They provide personal care and allow people, particularly those in rural areas who are doubly disadvantaged by not being able to travel to larger local centres, the opportunity to be treated closer to home.

Antoinette Sandbach: In my constituency, Tarporely cottage hospital has been adopted by the local community and continues to provide that step-up, step-down care without being part of the NHS. I wonder whether my hon. Friend would be interested in meeting some of the hospital trustees. It may provide some hope for the future as an example of how communities can come together and support their local assets.

Dr Wollaston: I thank my hon. Friend for that invitation. In fact, I have visited the Community Hospitals Association on many occasions, to hear from community hospitals around the country. I will continue to do so and I commend them for the valuable role that they play.

Dr Morrison: Does my hon. Friend agree that community hospitals can also keep the bean counters happy? If they get the case mix right, it is much more affordable to treat people in community hospital beds than in an acute unit, which is extraordinarily costly. Furthermore, that would clearly give patients what they would like, which is care close to their homes, as my constituents in Warminster—we still have community hospital beds—will attest. I know that my hon. Friend for North Dorset (Simon Hoare) would say the same for Shaftesbury.

Dr Wollaston: Members on both sides of the House are aware of how valuable and important community hospitals are to our constituents. Taking that a step further, I would say that the best bed for any patient is their own bed, provided that they can be given the right package of care close to home. We know that there are many people even in community hospital beds who do not need to be there. They are there for want of the right social care package that could enable them to be at home.

In welcoming STPs, we should be realistic about the financial challenge that they also face and the costs sometimes of providing those services. That is a huge challenge for them. In my area alone the STP is facing a £572 million shortfall by 2021 if no action is taken. I can understand why, for example, it will look at the relative cost of providing care to people in acute hospitals, in community hospitals and at home, and make an argument that sounds very reasonable about how a larger number of people could be much better cared for at home.

I return to the point that the hon. Member for Central Ayrshire (Dr Whitford) made. Access to the transformation part of the sustainability and transformation plans is necessary to be able to put those services in place and very often to build the infrastructure that we need. For example, in Dartmouth in my area, the possibility of providing more care closer to home within a community hub will require the up-front funds to build a new centre that allows the workforce to be developed and more services to be provided closer to home. Unfortunately, what we often see is the closure of a much loved facility without the new service in place.

As the sustainability and transformation plans progress, I would like to see a genuine focus on the opportunities to provide more care closer to home. I fear that we will miss that opportunity because, as we have heard, £1.8 billion of the £2.1 billion sustainability and transformation fund is going towards the sustainability bit, for which read “plugging provider deficits”, and only £300 million is left nationally to put in place all these plans.

We know also that part of the way that the Government have managed to fulfil their promise to NHS England in respect of the funding that it asked for has been by taking funding out of capital budgets because those are essentially flat cash, and also by taking money out of Health Education England budgets and public health budgets. It concerns me that many of the principles behind the sustainability and transformation plans are put at risk by other parts of the system being squeezed.

We have heard the point about prevention. Central to the achievements of the sustainability and transformation plans is the prevention piece—the public health piece. It is a great shame that public health budgets have been squeezed, limiting the ability of those aims to be achieved.

I know that many Members wish to speak so I shall move on and make some asks of the Minister, if I may. There is more that the Government can do. We on the Health Committee were very disappointed that none of the witnesses who came before us from NHS England, NHS Improvement or the Department of Health was able to set out the impact of cuts to social care on health planning. We need to do much better at quantifying the cost to the NHS of cuts to the social care budget.

The Minister needs to take the long view on prevention and help the service by implementing policies that could help local authorities to make changes. For example, I suggest making health a material consideration in planning and licensing, in order to provide the levers to make a difference. We need a much greater focus on workforce, because the STPs cannot achieve their aims if the workforce to achieve them is not in place. Finally, will the Minister kindly visit my area to look at the proposals in the sustainability and transformation plans in south Devon, and at the opportunities and how we would achieve them?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The next speech, in the same way, will not have a time limit, but after that it will be five minutes. Some people will not get in. Please explain to them why those who took advantage of the time did so—it is totally unfair.

4.44 pm

Heidi Alexander (Lewisham East) (Lab): I am grateful for the opportunity to speak in this debate. Sustainability and transformation plans—what are they, should the
public be concerned, and are the plans good, bad or a mixture of both? As we have heard, over the last eight months or so STPs have been drawn up in 44 areas in England by a range of people involved in the running of the NHS and local government. As far as I can work out, they have come about because NHS England could see that in the chaos following the previous Government's Health and Social Care Act 2012, there was no obvious body responsible for thinking about how best to organise NHS services at a regional and sub-regional level, so NHS staff and local government officials were tasked with assessing the health and care needs of their local populations, considering the quality and adequacy of the provision to meet those needs, and developing ideas about how those needs might be better met within available resources.

So far, so good, we might say, but there are three big problems. First, the current financial pressures on the NHS mean that the plans are likely to be all about sustainability, not transformation. Secondly, this is a standardised process to define and drive change, so we run the risk of good proposals being lumped in with bad ones, and of some plans simply focusing on the achievable, as opposed to the necessary and the most desirable. Thirdly, it is an inescapable fact that these plans are being developed when there is huge public cynicism about the motives of a Tory Government when it comes to change in the NHS. If the Government want to deliver change, the debate with the public needs to start in the right place—not behind closed doors, and not using jargon that no one understands. It needs to be focused on patients and their families, not on accountants and their spreadsheets.

I think most people understand that the NHS cannot be preserved in aspic. They understand that compared with the 1950s, we now use the NHS in a very different way. At the moment, they simply see an NHS under enormous pressure. They are waiting longer for an ambulance, to see a GP, to be treated in A&E and for operations. They see staff who are stressed out and who are on the streets in protest. When Ministers and NHS leaders talk about sustainability and transformation, the public are therefore dubious. For sustainability, they read cuts, and in some cases they will be right—it will mean cutting staff, closing services and restricting access to treatment. No matter good the plan, to us in Bristol it means cuts.

Kerry McCarthy (Bristol East) (Lab): In my constituency, we are very concerned because Bristol is in surplus but the footprint means that we will be going in with North Somerset and South Gloucestershire, which both have cumulative deficits. No matter what else is part of the plan, to us in Bristol it means cuts.

Heidi Alexander: That is the story we hear from all over the country. This is not profligate overspending on the part of NHS bosses or local government leaders; it is chronic underfunding on the part of Government. There was much fanfare associated with last year’s comprehensive spending review and what it meant for the NHS, but when we look at that financial settlement, along with the one in the last Parliament, we see a flatlining budget to deal with soaring demand.

As a country, we have a growing and ageing population. The reality is that in the last 10 years, the number of people living beyond the age of 80 has increased by half a million, and the NHS and social care are buckling under the strain. Although we should never give up on trying to organise the NHS in the most efficient and effective way possible, we have a choice. Do we want to cut services to match the funding available, or do we want to pay more to ensure that our grandparents and our mums and dads get the sort of care that we would want for them? If the NHS is to provide decent care for older people we need not only to fund social care adequately, but to find better ways of organising services to keep people out of hospital for as long as possible.

That leads me to the next problem. STPs are being used as a catch-all process to bring about change in the NHS, but many run the risk of focusing on the wrong things. They are being used as a vehicle to do different things in different places, and although some may lead to better treatment and better outcomes, the danger is that there will be knee-jerk, blanket opposition to everything. Some proposals will inevitably be controversial—the closure or downgrading of an A&E or maternity department will never be easy—but, in other cases, the plans may end up focusing on something that is not the burning issue.

Let me take my local area as example. The STP for south-east London proposes two orthopaedic elective care centres. The sites for them have yet to be decided, and the STP plan has yet to be signed off by NHS England. On the face of it, there is little wrong with the proposal to create centres of excellence so that all hip and knee replacements are done in one of two places. The problem is that when the front page of a national newspaper talks about the “secret” STP plans under which A&Es will close, my constituents fear the worst. “We’ve been here before,” they will say. They will smell a rat, even where one might not exist.

Alex Chalk (Cheltenham) (Con): Will the hon. Lady give way?

Heidi Alexander: I will not give way. I am aware that many Members want to speak, and I wish to conclude my remarks.

My constituents ask me these questions. What happens if Lewisham is not the site of the new centre, its elective work is shifted elsewhere and the hospital then struggles to staff the emergency department? Is orthopaedic care really the burning issue in south-east London? What about the queues of ambulances outside the Queen Elizabeth hospital? What about the homeless young man who pitches up in A&E because he has nowhere to sleep and there is no support for him in the community?

Where will the money come from physically to redesign the NHS buildings that such a care centre would entail? With £1 billion taken out of capital budgets and switched to revenue last year, it seems fanciful to think that there will be money lying around for such projects. The NHS is on its knees. Everyone knows that hospitals ended up £2.5 billion in deficit last year. We have all seen the reports of A&Es closing overnight because they have not got the staff. We all know that GPs are run ragged, that ambulance crews are stressed out and that nurses are demoralised, and that is before mentioning the junior doctors.
This is the main problem for the Government: if you do not fund the NHS adequately and if you do not staff it properly, do not be surprised when the public do not trust your so-called improvement plans. There is deep public cynicism when it comes to anything this Government wants to do to the NHS. People believe Ministers are trying to privatise it. They believe services are contracted out to the private sector to save money, not to improve quality, and in many cases they are right. The problem is not STPs as such, but the context in which they are being developed—inadequate funding, an inability to make the case for change, a workforce crisis that is leading to overnight closure of services and, as a result of all of these, a deep public mistrust of the Government’s intentions.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. There is now a five-minute limit.

4.53 pm

David Tredinnick (Bosworth) (Con): I will be as brief as I can be, Mr Deputy Speaker.

May I congratulate my old Whip on his elevation to Minister of State, Department of Health? I hope that he brings with him all the skills he learned at the Ministry of Defence, as there are many tough challenges ahead. At a time when there is upheaval in every Department in Whitehall, I suggest that this is a good time for him to look afresh at where the Department of Health is going, and I want to propose some initiatives.

This debate is divided neatly into sustainability and transformation. I suggest to the House that, if we are to have a sustainable health service, sustainability will need to be about reducing demand—we must look at ways of reducing the demand on the service—and if we are to have transformation, it will have to include increasing supply and looking for new types of treatments that are available.

I am proud to have represented the middle of England, Leicestershire, for many years, and in particular pretty much the whole area of Hinckley and Bosworth Borough Council. I would like to share the initiatives that the council has taken since the Health and Social Care Act 2012 came into being, and then suggest what we need to do beyond those kinds of initiatives, taken by a council that is very successful and, I might add, Conservative-controlled.

The council has taken three major initiatives in my constituency. One is getting people of all ages to be more active, including through young people putting on activities such as days for soccer tots aged two to four, bikeability courses for six-year-olds, BMX track work, parachute games, skipping and making smoothies. There are all kinds of activities. The council has also built a new leisure centre, which has been a huge success. The council has also built a new leisure centre, which has been a huge success. The

It is sad to relate, however, that in my constituency 7% of people have diabetes and 68% are recorded as having excess weight, of whom 20% are obese. Obesity in children is still increasing. My point is that however good local people are, we have to take other steps. I can see the Chair of the Health Committee, my hon. Friend the Member for Totnes (Dr Wollaston), looking over at me, and she knows what I am going to say, because we worked on this when I was on the Committee: we have to have more action on obesity. The sugar tax is very important and welcome, but it is not enough. We have to deal with diet and food consumption. The template for moving ahead should be the campaign of more than 100 years to stop people smoking and stop cigarettes dominating our lives. That campaign really began with the passage of the Regulation of the Railways Act 1868, which mandated smoke-free carriages to prevent injury to non-smokers, and culminated in England going smoke-free in 2007.

As for the transformation of local services, we need more services, but some are not properly co-ordinated. I served on the Committee for the Osteopaths Act in 1993 and the Chiropractors Act in 1994. Both groups of practitioners are now regulated by an Act of Parliament, but osteopaths, chiropractors and orthopaedic surgeons do not talk. It is ridiculous. Far too many people are having operations who could be dealt with by chiropractors or osteopaths. The head of the Professional Standards Authority, Harry Cayton, regulates 17 registers and says that of the 63,000 practitioners on those 17 accredited registers, covering 25 occupations, far too few are being used in the health service. That is very sad.

I will finish on this point, for the benefit of the Chair of the Health Committee as much as anything: homeopathy has been officially recognised by the Swiss Government as legitimate medicine to coexist with conventional medicine, following a 2009 Swiss referendum—referendums are not only in Scotland—when two thirds of the population decided that they wanted homeopathy, acupuncture, traditional Chinese medicine, herbal medicine and holistic medicine as part of their health service. Swiss insurance companies now agree.

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): I welcome the Minister and shadow Minister to their new responsibilities. The Labour party was right to choose this topic for the Opposition day debate. I wish the Minister well in confronting the financial difficulties that face him.

In confronting those difficulties, the Government’s “Five Year Forward View”, which was published in 2014, called for £22 billion of efficiency savings to be found by 2020, on top of the £20 billion of efficiency savings to be found between 2010 and 2015. I simply do not think that should or can be done. The total deficit in all national health service trusts reached £2.45 billion in 2015-16, a figure that is almost three times greater than in 2014-15 and almost half a billion pounds higher than the national health service’s own revised plan. Monitor estimates that even if all realistic efficiency savings were made, a deficit of £1.5 billion would remain in this financial year. It is simply not possible to deal with the situation through efficiency savings. The Government know that and are stuck, hence the sustainability and transformation plans covering the next five years, organised along 44 footprint areas that do not have any existing coherence with existing health service organisational boundaries. In the north-east, the Northumberland and Tyne and Wear footprint covers five clinical commissioning groups, six local authorities and seven foundation trusts.
Newcastle, the city I have the honour and privilege to represent, enjoys well run and efficient health services, which is testament to staff working at all levels in the NHS there. Our health services are well regarded in the local area, but the sustainability and transformation plans raise at least three serious questions. If NHS England and NHS Improvement think that more than half of clinical commissioning groups are underperforming, why are they asking CCGs to draw up the key documents that will transform the structure of the NHS? Given that many CCGs will have to merge, where is the motivation for them to create clear, competent and credible plans? Given that the footprints will have no formal structure, who is accountable for the long-term consequences of the plans?

The approach that is being adopted bears a striking resemblance to the previous top-down, unwanted revision of the NHS that we were promised would not happen when the Government came to power in 2010. They are doing something that one would have thought difficult—they are breaking their promises twice.

This is not the first threat that the north-east has faced. We have faced the redistribution of moneys and the downgrading in the distribution formula of the social deprivation component, with far more emphasis being placed on the age-related part of the formula, which affects the well elderly rather than people who are ill.

In government, Labour promised to increase health spending to match the then European average of 8.5% of GDP. We kept that promise, but successive Governments since—the coalition Government and the Tory Government—have failed to commit funds to the NHS. That is why health spending as a proportion of GDP will fall to 6.6% by 2020-21, which will leave us lagging behind the OECD average spend of 9.1% and comparable countries such as Germany, which spends 11%.

The Government should be honest with people about the challenges the national health service faces and the response needed to meet them. The sustainability and transformation plans are a fundamentally bureaucratic response to the funding crisis in the NHS. As such, the Government completely misunderstand the fact that the NHS needs not more meetings but more money.

5.3 pm

Richard Fuller (Bedford) (Con): Change in life is frequently a source of anxiety or downright scary. When people are young and change schools, when they get married or when they start a job, that change is scary. There is nothing scarier for a community than change in how its health services are provided, so perhaps it is not surprising that the NHS has found managing change to be one of the most profoundly difficult things to accomplish.

As the hon. Member for Central Ayrshire (Dr Whitford) mentioned, we frequently face substantial or overwhelming challenges in society, with people growing older and having more complex needs, and the requirement for more expensive equipment and supplies to meet ever-increasing standards for and expectations of healthcare in our country. The NHS was presented with two options for change. One is radical and will meet those challenges in a fine future that offers great health outcomes for all, but sounds a little too scary. The other option is the incremental approach, which will move things along a little bit. It will not deal with the fundamentals but it will enable us to feel that we retain the institutions and structures with which we are familiar.

As someone who was born in Bedford hospital, grew up in Bedford and now represents Bedford, I am very familiar with each of the buildings and institutions in my community. To see them change is a very scary thing. When we consider processes of change, we have to recognise that the population start from that position of anxiety. It is therefore important that Members do not play on those anxieties. It is not effective opposition to create scare stories ahead of an outcome. That is not in the public interest. We can raise concerns, yes, but in a way that looks to the sensitivities of local situations. That is what I would like to focus on in my remarks: the specific circumstances of my part of the country.

I welcome the STP approach because of the integration of care with health and because it provides local authorities with a voice, for the first time, in decision making about local care choices. For the first time, the NHS will not be getting its own way, if this process lives up to the promise of local decision making. That will be helpful in getting local support and control. In my own locality, we have a cross-party community approach. We have a Liberal Democrat mayor, a Liberal-Labour group on the council and Conservative Members of Parliament. We are all united in an approach of wanting our voice heard on local care in the NHS. An STP is a way of us having that.

Dr Philippa Whitford: Would it not therefore have been more effective, particularly if there is cross-party working in the local authority, to have local consultation early on about what could be gained in exchange for what might be felt to be lost?

Richard Fuller: I very much appreciate the hon. Lady’s question, because it gets to my point. I am actually quite sceptical about what consultation means. She might not know that Bedford has been through a review process for our acute services. I was trying to measure the length of that process in terms of Members of Parliament for Corby: it preceded Louise Mensch becoming Member of Parliament, carried on through the whole period of Andy Sawford being Member of Parliament, and is now taking up the time of my hon. Friend the Member for Corby (Tom Pursglove). We do not involve Corby any more; it is now just Bedford and Milton Keynes. That process included consultation and participation, with the NHS saying that it wanted to listen to people. It consulted them, yes. Did it listen to them? No. It was the NHS’s own process. It ticked all the boxes, but it was a complete and utter disgrace to local accountability.

I do not have distrust of Pauline Philip, chief executive officer and leader of our STP, and I do not need to know everything. I want to know that our local authorities are having their voice heard in the process just as much as our local CCG, as they are our representatives. I feel relatively comfortable that the process will lead to options that are more acceptable to the population, because it involves local authorities as well as the NHS. We should, however, expect the outcomes of the process to be highly varied around the country. Some will be correct.
and acceptable, and will go forward. Others will be controversial, and others will be downright wrong. We should not curse this whole process across the country, because it achieves a difference in outcome in different parts of the country. We should be prepared to look at each on its own merits and judge them accordingly.

John Glen (Salisbury) (Con): Is there not a real challenge to reconcile the reticence to change and adapt with the clear imperative to have new technologies and new ways of doing things that can offer a step change, which are often resisted? Consultation will not necessarily deal with that.

Richard Fuller: My hon. Friend is right. I come back to the central part of what is different about STPs: they involve local authorities. On issues such as mental health and care in the community, that voice will be heard much more clearly. Our local authorities represent our local people—that is their interest. Their voice will make a substantial difference.

I have two brief final points about Bedford to which the Minister can perhaps reply. First, our CCG is under legal direction. Will that affect local decision making? Secondly, our CCG set up a joint committee with Milton Keynes to review acute services. Is he in a position to assure me that that joint CCG will not take any part whatever in the decision processes when the result of the STP is reached?

5.9 pm

Paula Sherriff (Dewsbury) (Lab): In common with many other Members, I have received hundreds of emails from concerned constituents about the sustainability and transformation plans and what they mean for the NHS nationally, regionally and locally. To provide some local context, my constituency covers an area that sits largely in the middle of two health trusts: the Mid Yorkshire Hospitals NHS Trust and the Calderdale and Huddersfield NHS Foundation Trust. There are four clinical commissioning groups: North Kirklees, Wakefield, Calderdale and Greater Huddersfield. We are in the borough of Kirklees Council, which serves a population of over 430,000.

The Mid Yorkshire trust is in the advanced stages of reconfiguration—or downgrade, as many people, including myself, see it. Dewsbury hospital will this week lose its consultant-led maternity unit, and there will be changes and reductions in services for acute surgery, gynaecology and paediatrics. Next spring, the A&E department will be reduced to an urgent care centre with no provision for acute services.

On the other side of my constituency sits the Huddersfield Royal Infirmary. The Greater Huddersfield and Calderdale CCGs have just completed a so-called consultation on their “reconfiguration of services”—or, once again, downgrades. If the proposals are accepted, the infirmary will have its A&E department downgraded and the whole of Kirklees, which includes all of my constituents, will be left without full A&E provision. That is over 430,000 people who will have to travel outside the borough to access vital emergency healthcare for themselves and their loved ones.

Kirklees is a vast geographical area that spans many towns and rural and semi-rural areas. Many people and the elderly rely solely on public transport as a means of travel, and parts of the borough are in the top 10% of the country’s most deprived areas, which brings about huge health issues and inequalities. The cuts to services are not improving life chances or enhancing healthcare provision; they are purely a part of a cost-cutting exercise that could result in lives being put at risk. It has been reported just this afternoon that a senior representative from a local CCG has commented that it is almost as if NHS England is putting money before quality.

We now learn that the Government have set up STPs to look at health services on a larger footprint. Some might say that is akin to shutting the stable door after the horse has bolted. How can these STPs work, given that we are so far down the line already? The reconfigurations and downgrades that have been developed are being implemented completely in isolation from each other, with no regard for the wider population or the geographical boundaries that they cover. How can the STPs work—unless, that is, they have been put in place simply to implement further cuts to our already overstretched NHS services?

Sadly, we on the Opposition Benches have to acknowledge that our NHS is in crisis. We are genuinely fearful for the future of health provision in our country, and that fear is shared by many health experts. The British Medical Association has said that “one of the key aims of STPs is to achieve financial balance by 2020”, and that it has concerns “that this will be the priority for STPs rather than developing the best models for patients.”

The King’s Fund has said:

“Our assessment of draft plans shows that, in the absence of eye-watering efficiency improvements, there will be a financial gap running into hundreds of millions of pounds by 2020/21 in most of the footprints”,

and that even with cost efficiency measures that are already being implemented,

“it will still not be possible to achieve the financial balance expected by national regulators.”

Its assessment of seeing one STP struggle to achieve its goals was that it was like “attempting to undertake synchronised swimming against a rip tide”.

How many more years will we have to endure this, and how many lives will be lost before the Government admit that their “efficiency plans” are simply not working and that the only way fully to address people’s needs is to stop the cuts and to pledge more money to fund our NHS adequately?

A constituent contacted me this week desperately worried about a loved one who was suffering many health problems in hospital. I said to her the words that many of us have used many times over the years, “At least he’s in the right place; he’s in hospital, getting the best care”. Although I know at first hand how hard those on the frontline of our health service are working and how much our incredible staff do in our hospitals, how much confidence can we have in those words nowadays? At a time of diminishing budgets and major
cuts to services, can we really have confidence that our health services are adequate to provide the best care for our loved ones?

As Nye Bevan, whom I have quoted a number of times and will continue to quote, said:

"The NHS will last as long as there are folk left with faith to fight for it."

Let it be known that I, along with my hon. Friends, will continue to fight tooth and nail to ensure that this Government do not succeed in destroying the health service that we hold so dear.

5.14 pm

Kwasi Kwarteng (Spelthorne) (Con): It is a great honour to be able to speak in this important debate. We have heard some very interesting contributions, and some contributions which were, perhaps, less constructive. I will not state publicly which are which, but I would like to take up what was said by the right hon. Member for Newcastle upon Tyne East (Mr Brown), who spoke of Labour’s commitment to meeting the OECD’s health spending average in 2001.

I think it perfectly acceptable, in a discussion of this kind, to point out that in 2001 the Labour Government had succeeded in running a balanced budget for four years, more or less, and we thought at the time that we had the money to meet that commitment. Having been a member of the Labour Government, the right hon. Gentleman will recall that over the next nine or 10 years we ran consecutive deficits, and as a consequence of policy that I happen to believe was misguided in many instances we had a deficit of £160 billion when the coalition Government took office in 2010. Given the circumstances, it was inevitable that there would be a constraint on finance, and that is something that we have to speak about.

If I recall correctly, the hon. Member for Central Ayrshire (Dr Whitford), whose speech I enjoyed very much, said that we kept talking about finance, and that it should be the third consideration. I wish it were as much, said that we kept talking about finance, and that is something that we have to speak about.

Dr Philippa Whitford: Will the hon. Gentleman give way?

Kwasi Kwarteng: Forgive me; I cannot. The debate is very constrained now, in terms of time.

The right hon. Gentleman talked, obviously, about the budget constraints, but he also talked about the fact that we were not spending enough money. I think that the STPs present the opportunity for a serious engagement with what all Members recognise is an ongoing problem. We have a growing population and an ageing population, and inevitably, whether we like it or not, issues of finance and resources will become increasingly important.

I am pleased to learn that local consultation will be at the centre of the draft proposal, because that is essential, and it is what our constituents want. There are two hospitals in my area; one is just outside my constituency but many of my constituents go to it, while Ashford hospital is in the centre of Spelthorne. A number of the facilities have been downgraded—it has been a difficult time—but the borough council and I, as the local Member of Parliament, always tried to explain to residents what was driving the decisions and the changes that we sought to make, and they were broadly very understanding. I think that people throughout the country are very sensible when we explain to them and carry them with us, and that they take a measured view of health services. They realise that the old NHS of Nye Bevan and 1948 has had to evolve. I believe that they are much more open to evolution and change than many Members of Parliament.

The last point that I want to make is slightly negative. I have attended many debates of this kind—not necessarily on the health service, but on the economy and welfare—and all that I hear from Labour Members is the same old mantra: “Stop the cuts, more money.” That seems to be their sole solution to every single problem that we face as a country. It is said that to a man with a hammer, every problem is a nail. Labour Members seem to think that “Stop the cuts, more money” is the answer to everything, and I consider that entirely unconstructive. I find it very disappointing to hear no constructive ideas and no proposals for reform, and to observe no appetite for fresh thinking and absolutely nothing in the way of intellectual engagement with the real problems that we face as a nation. I find it very disappointing to take part in yet another debate and hear the same old mantra: “Stop the cuts, more money.”

5.19 pm

Norman Lamb (North Norfolk) (LD): I want to start by saying that I very much agree with the point made by the hon. Member for Central Ayrshire (Dr Whitford) that this ought to present a real opportunity. It has brought people together, and discussions have started across organisations that in the past have not talked to each other nearly enough—both across the health and social care divide, and also bringing in people from outside the health service and social care system—but I fear that the opportunity will be fatally undermined for three central reasons.

First, there is the point that I made in my challenge to the Minister, on mental health: unless every STP addresses the burden of mental ill health in every community centrally as part of its plan, it will fail. There is no doubt about that. I noted the Minister’s attempt to reassure me, but the parliamentary answer I received recently did not reassure me, because it appears that it is not going to be a requirement that every plan must address this problem. I understand that the more developed plans will do so, but if this is not done, it will absolutely fail. We are dealing often with some of the people who are failed most by the system, and who use A&E departments more than any other people, yet my fear is this will be a massive missed opportunity in that regard.

The Parliamentary Under-Secretary of State for Health (David Mowat): I thank the right hon. Gentleman for giving way, because I want to make the point again—I will say it very clearly—that if an STP does not come forward with very clear plans as to how the mental health and dementia programmes are going to move forward quickly, it will not go ahead. That cannot be clearer.

Norman Lamb: I am grateful to the Minister for that, and I hope that that message goes out across the country,
because Andy Bell from the Centre for Mental Health today has again raised concern about the process in many parts of the country.

The second issue that causes me very real concern is the financial backdrop and the ability to deliver on the plans given the finances that are available. We have already heard that the bulk of the money that is available is going into clearing the deficits of providers, rather than into the transformation that is so necessary in order, as the hon. Member for Spelthorne (Kwasi Kwarteng) made clear, to spend more efficiently and effectively in delivering care for our communities.

Chris Ham, chief executive of the King’s Fund and a well-respected commentator, says that its assessment of the draft plans “shows that, in the absence of eye-watering efficiency improvements, there will be a financial gap running into hundreds of millions of pounds by 2020/21 in most of the footprints” —not across the country, but in most footprints. This is completely unachieviable, and he questions the deliverability of plans which include the closure of cottage hospitals in many areas—the very things that can keep people out of acute hospitals, yet we are planning in many areas to close them down. This seems to me to make no sense at all.

There is a related concern about governance. Currently in the NHS we regulate organisations, not systems, so within an STP footprint every organisation still has to focus on its own financial survival, rather than looking at the best approach for the entire health and care system in that locality. I fear that that in itself will be a central flaw.

Finally, there is the question of openness and transparency. I note the point that there will be a consultation process, but let me just tell the Government that if they really think that a formal consultation process after full draft plans have been produced in a secret process will in any way convince the public that they are being properly involved, it will fail. It is inevitable that it will fail. People are so suspicious of consultation processes that they simply do not believe that they are being properly engaged in them.

The hon. Member for Spelthorne made a good point: people are often prepared to go on a journey. They are prepared to listen to potentially radical changes and potentially to use money more effectively, but let me just tell the Government that if they really think that a formal consultation process after full draft plans have been produced in a secret process will in any way convince the public that they are being properly involved, it will fail. It is inevitable that it will fail. People are so suspicious of consultation processes that they simply do not believe that they are being properly engaged in them.

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people who completed the survey said that the plan would make the care they receive worse. The second test is that the plans must have the support of GP commissioners. Okay, the commissioners on the CCG are proposing this change, but the Kirklees local medical committee, which represents 200 local GPs, has said that local resources should be developed instead and that this controversial plan should be dropped.

The third test is that the plans should be based on clinical evidence. I am pleased to say that the recent Care Quality Commission report gave the A&E departments at Halifax and Huddersfield good ratings, but the consultant-led maternity unit, which was centralised at Halifax nearly a decade ago, was rated as requiring improvement. The fourth test is that the plans must take account of patient choice. It is clear that patients want the millions of pounds that would be spent on a new planned care hospital in Huddersfield to be used instead to improve and safeguard existing local A&E services.

I am really not interested in the partisan politics of this. I am standing up to focus on fighting to save my local A&E unit. I really believe that patients should come first. In finishing, I have one question for the Minister. I am hearing that the STP plans for West Yorkshire will be released on 21 October, the day after my CCG makes its decision. How will that impact on the future for a full A&E department at Huddersfield royal infirmary?

5.29 pm

Kate Hollern (Blackburn) (Lab): I have serious concerns about the lack of transparency in the process. If there had been more consultation, it would have been far more transparent. The plans’ only aim is to fit funding, rather than to examine and improve services.

Hospitals are under huge pressure in Blackburn and the surrounding Pennine area—as I am sure you are aware, Mr Deputy Speaker—with the closure of the A&E at Chorley hospital. Coupled with the huge burden facing local authorities, the Pennine Lancashire health authority has the challenge of finding £238 million over the next five years. With the best will in the world from local authorities, NHS trusts and communities, I fear that the change will not be for the better under that kind of financial pressure.

Let us not forget the savage budget cuts that local authorities have faced. Blackburn with Darwen Council alone has already had to cut £100 million from its budget, with another £48 million to cut by 2020. I am not opposed in theory to a system approach of hospital funding, with another £48 million to cut by 2020. I am not opposed in theory to a system approach of hospital funding, but in practice it must produce a better outcome. The plans’ only aim is to fit funding, rather than to examine and improve services.

The exemption of adult social care from STPs has caused concern in local authorities across the country. It is not helpful that they have been told to leave that bit out of their submitted plans because it does not quite fit in with the budget. That will certainly not produce a more efficient and better service. The funding gap in adult social care is a real crisis that local authorities must face, but no remedy to fix it is currently forthcoming.

Many pressure groups, experts and even the chief executive of NHS England, Simon Stevens, have publicly advised the Government to make extra funding available for social care, yet the Government have been silent. They have made no commitment to make additional funds available in 2017 to support adult social care. I would like to give them an opportunity today and will happily give way to a Minister if they are prepared to clarify that point. Will the Government make additional funds available to ease the burden on adult social care, leading to better transformation of services?

Like many of my constituents, I seek clarity on whether additional funding will be made available, because if it is not, STPs will fail miserably. If we really want a transparent process and improved services, before we move on to transformation I suggest that my colleagues and I are at least made aware of what the plans contain or are assured that resources will be available to stabilise NHS and local authority services.

5.33 pm

Helen Whately (Faversham and Mid Kent) (Con): I welcome the new ministerial team to their places. I also welcome the shadow Secretary of State, the hon. Member for Hackney North and Stoke Newington (Ms Abbott), but may we have a more constructive debate about the NHS in future? She should not talk about cuts. She knows perfectly well that this Government will be putting an extra £10 billion a year into the NHS by 2020. That is not a cut. That is £10 billion extra of taxpayers’ money. Will she please not mislead people by talking about cuts? As she well knows, her party did not commit to spending anything like that on the NHS.

Mr Deputy Speaker (Mr Lindsay Hoyle): I do not think that an hon. Member would try to mislead another. That is not a word that we would use.

Helen Whately: My apologies, Mr Deputy Speaker. I did not mean to use that word. The hon. Lady mentioned the £22 billion shortfall set out in the “Five Year Forward View” analysis, so will she clarify whether her party is now planning to make that up? If so, where will it find the money from? That was not entirely clear in her comments.

I will move on, because I sincerely believe we need a far more constructive debate about the real challenges the NHS faces and how to improve the care it provides to our constituents. The NHS is under pressure—no one here is denying that. I know it as well as anyone, as my grandmother spent five of the last six months of her life recently in hospital, and if the system had been better she would not have been there and would have had a much better end to her life. We know that people are living longer, with multiple conditions: about 70% of NHS spending goes on dealing with long-term conditions. The treatments available have increased vastly and are therefore more expensive than they were in the past, and patients expect far more of the NHS.

The NHS should not constantly be criticised, as is so often the case, as it is seriously rising to the challenge. It is performing thousands more operations, with thousands more patients being seen every day. In addition, in response to what happened at Mid Staffs and other such incidents, tens of thousands more doctors and nurses are working in the NHS. Skilled staff do not come about overnight; training takes years. A lot is therefore being done also to address the pressures on the NHS workforce. None of that should be overlooked, although it is also costly.
I ask us all to focus on talking about how the NHS rises to the challenges it faces, doing so in a financially sustainable way. We do not have a blank sheet of paper for this; the “Five Year Forward View” was published in 2014. As you may well know, Mr Deputy Speaker, I have previously asked questions about what was happening to drive forward that review at the pace and scale needed. The STPs are a vital part of the process, as across the country they are about putting the five year forward view into practice. They are doing that in an important way, looking at the place and the whole population, bringing together a diversity of organisations across the NHS and involving local authorities. We are talking about organisations that are rarely in the same room. In Kent, organisations have come together where previously people have literally not spoken together—chief executives have not previously been in the same room together. This is really important. The STPs are also putting public health at the core of the future plans for health and care across the region, and they are looking not just at treatment but at how the population can be healthier and how we can reduce health inequalities.

Finally, I urge all colleagues to do what I am trying to do, which is make sure that the STP in their area rises to the challenges and delivers the care that we all want for our patients in future.

5.37 pm

Peter Dowd (Bootle) (Lab): A recent report to my local health and wellbeing board on STPs stated: “There is a growing consensus that one of the most powerful ways to achieve change is through local services working together—across entire communities and pathways of care—to find ways to close the gaps between where we are now, and where we need to be in the future.” That was the hope of the many people who have written to me on this matter. I really appreciate the time they have taken to share their concerns with me, but I can give them little comfort as things stand. Regrettably, in my area the “footprint” is an area in Cheshire and Merseyside, not in the Liverpool city region. That was determined unilaterally by the governance structure and it is regrettable, getting the process off to the wrong start, with the suggestions of local political leaders dismissed. That act has compounded the problem, in that they are the very people the NHS should be consulting: local communities, the leaders of councils and local councillors. These are the democratically elected representatives in those areas.

This move is all the more disappointing given that there is a council leader who has responsibility for the health and social care brief across the city region. It is more than disappointing—it is bizarre, especially as local government is supposed to be a significant partner of the NHS. The Government have pushed the issues of health and social care integration no end, but it seems more in theory than in practice. NHS England can hardly put out a press release without mentioning it, yet I suspect that many health footprints are in the same situation as those in my constituency. There is no doubt that people are being excluded. I have emphasised this issue because it goes to the heart of the willingness of the NHS to step out of its self-imposed bureaucratic mindset. Worryingly, though, it appears to have an almost pathological inability to break out of it.

5.42 pm

Maria Caulfield (Lewes) (Con): Before I start, I wish to declare an interest as a registered nurse. I welcome this debate this afternoon as STPs are a really important issue and, as many Members have said, they have a huge potential to transform care at a local level, bringing in social care and third sector organisations. They represent a huge opportunity, and not one that we want to get wrong.

However, because many of these 44 STPs have not shared or consulted on their plans, there is a suspicion, rightly or wrongly, that they are an excuse to bring in cuts or to bridge financial deficits. I would welcome the Minister’s thoughts on this, and a signal that consultation will happen. That consultation is not happening at the moment, which is part of the problem. It enables those who want to perpetrate this myth and this fear that this is all about cuts to have some breathing space.

My area, which falls into the Sussex and East Surrey STP, has not published its STP. Although it makes great claims to be working with hospitals, clinical commissioning groups, local councils, GPs and HealthWatch, no one I know, and certainly no local MPs, has been involved in discussions about the process. I am very disappointed that some of our key community groups in Lewes and Seaford, such as our senior forums, Families for Autism and many other groups have not been consulted. It is right that STPs should submit their plans to NHS England to ensure that there is a co-ordinated approach across the country, but it is vital that there is time for consultation. I am worried that there is only a short period after October for that to happen.

However, what I say to the doom-mongers who are trying to instil fear into my constituents is that if current investment is anything to go on, I am optimistic about what our STP will look like. My constituency

[Helen Whately]
does not have a hospital. We depend on either the Royal Sussex county hospital in Brighton or Eastbourne district general hospital. We are seeing huge investment by this Government: £480 million on the new redevelopment of the Royal Sussex county hospital; £58 million promised for Eastbourne district general hospital; and a new multi-million pound radiotherapy suite at Eastbourne. Only last year, a new dialysis unit was opened in Polegate, which means that patients do not have to travel to Brighton three times a week for dialysis. Working with my hon. Friend the Member for Eastbourne (Caroline Ansell), we have been involved in developing a new state-of-the-art GP practice surgery in Eastbourne. There is a new Macmillan cancer centre in Sussex, and I could go on. There has been huge investment and new services that provide local treatment for local patients.

With all this investment, why are local people so worried about cuts? Despite an increase of £10 billion a year in funding, the NHS has to deliver £22 billion of savings. My constituents know that there is a 6% a year increase in demand for services, that more treatments are available that are costly and that there are more conditions that can be treated. There are concerns that we have not tackled wastage in the NHS, such as in the case of the chief executive of the troubled Southern mental health trust who was offered £240,000 for a new job instead of being investigated for the many hundreds of deaths that happened while she was in her previous role.

Mims Davies (Eastleigh) (Con): To be efficient and effective, the NHS must stop these non-jobs. The creation of highly paid advisory roles is not helpful in letting patients be heard in this process, yet executives are heard, in terms of being given new offices and new pay cheques.

Maria Caulfield: Absolutely, and £240,000—

Madam Deputy Speaker (Natascha Engel): Order. And Andy Slaughter.

5.45 pm

Andy Slaughter (Hammersmith) (Lab): I hope that I am in a position to assist some of the Members who feel that they are in the dark or confused about what is in their STPs. That is not because my own sub-region, north-west London, is one of the two, I think, that have officially published their schemes—I fear that, like most NHS documents, it is written in a style and language that make it difficult for the ordinary public to understand. Rather, it is because, for north-west London, this process has not mushroomed overnight, as has been the case with STPs generally, but has been developed over four years. In the wonderful Orwellian language that is used, we have had something called “Shaping a Healthier Future” since the middle of 2012, and that has simply morphed into the STP, so I can perhaps give a little insight in the few moments that I have.

What did “Shaping a Healthier Future” mean? It meant the loss of 500 acute beds. It meant that of around nine major emergency hospitals two would, effectively, be downsized to primary care, and four A&Es would lose all their consultant services—and that, as far as I am aware, is still the plan. What has become clear with the transformation into STPs is that this is very much about money. The original language four years ago was that unless we implemented these cuts to acute services, we would “go bankrupt”. When that language did not go down very well—not surprisingly—with the 2 million people affected in west London, the language changed, and it was all about clinical care.

I am pleased that at least the honesty is now back in the system, and the proposals are now very much about money. One sees why when my own hospital trust—a very important, prestigious trust called Imperial, which runs three major hospitals—is over £50 million in deficit this year alone. The CCGs are flatlining on funding. The importance of that is that the only possible justification for these major cuts in acute care is that social care, community care and primary care funding will be increased. How that is possible with budgets that are, at best, standing still, I really do not know.

The other interesting factor is the delays that have occurred over this time. We had this proposal in the middle of 2012 and a slight revision in February 2013—and then silence. I have lost count of the number of times I have been promised that a full business case will be published. I act as the unofficial shop steward for the 11 Labour MPs in the sub-region, and I summoned them all to a meeting and said, “You’re going to get the business plan this month.” It was going to be next Tuesday, and we were all coming in in the recess to look at it, but, guess what, it has been put off until at least after the new year.

Moreover, the plan is now thought to be so unwieldy and so difficult to achieve that it has been split in two. My own hospital—Charing Cross—was due to lose 90% of its acute beds and its consultant emergency services, and we simply do not know when the proposals will now be published, but it has already been taken outside of the STP process. In other words, it is beyond the five-year horizon, and nothing will happen until 2022. Now, in one way, of course, I am delighted that the demolition balls are not going into Charing Cross for that period, but in the meantime the lack of support the hospital is getting worries me greatly.

These STPs are a Trojan horse for cuts. They are about cuts in acute services before there are compensatory services. For that reason, Members should be extremely concerned and worried about them, and I am happy to share my pain and knowledge on the subject if any Members wish to hear about them.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. Before I call the next Member, let me say that the person after the next speaker will go down to three minutes, and I encourage no interventions in order to get everybody in.

5.50 pm

Simon Hoare (North Dorset) (Con): There are two things that we need to nail before we go any further. I listened to the Castro-esque monologue of the shadow Secretary of State, who prayed in aid the King’s Fund. She refused to take an intervention, but I was keen to ask her why she was not quoting the King’s Fund when it described privatisation in the NHS as a “myth”. Considering that the Conservative party has been in government for the longest time during the existence of the national health service, if we wanted to privatise it,
frankly, we would have done it by now. All Conservative Members, like all Labour Members, are champions of the NHS, determinedly and doggedly trying to ensure that our constituents have the very best healthcare.

I am also slightly incredulous about the “wanting to have the penny and the bun” approach that Opposition Front Benchers have advocated. They want to see greater transparency in the process, as we all do, but as soon as there is the whiff of an idea coming through in consultation, up they get with their shrouds, running around saying, “This is closing, everybody’s going to die, rickets is coming back.” It is therefore perfectly understandable, though regrettable, that, rather like a snail, those who are trying to think about changes retract further into their shell.

One idea for the Minister—I hope, Madam Deputy Speaker, that this will not be ruled out of order—is that if we want to improve sustainability in healthcare and the health service, we should be taking advantage in our soon-to-be-free Brexit world of being able to have across the health service, through our procurement process, entirely British-made and produced foods and milk. That would certainly add to sustainability. I say this on the National Farmers Union’s back British Farming day, and as a DEFRA Parliamentary Private Secretary.

As my hon. Friend the Member for South West Wiltshire (Dr Murrison) mentioned, there are problems afoot in my constituency with regard to the Westminster Memorial hospital at Shaftesbury, a popular and useful community hospital. This is causing enormous concern among my constituents. I for one, once as a district councillor and now as a Member of Parliament, firmly support and champion the provision and continuance of our community hospitals. They provide a very useful spoke in the healthcare framework in providing the transition from the acute sector, where there is often pressure on beds, right the way through, one hopes, to patients returning to their homes. I ask the Department to think about this. Often the word “consultation” is used when what is meant is “information”, and scenarios are not put forward. The public are not stupid. They need to know what happens here if they choose this option, and what happens there if they choose that option. I hope that even at this late-ish stage we can have some clearer guidance from the Department about the option. I hope that even at this late-ish stage we can have some clearer guidance from the Department about the option. I hope that even at this late-ish stage we can have some clearer guidance from the Department about the option.

I am keeping an open mind about the plans for healthcare across North Dorset. We cannot just close the door to innovative thinking and the need to meet modern clinical demands. Patient care must come first, although that cannot be a defence in order to try to avoid change and challenge in service provision. I hope that anchored in the Dorset plans for healthcare is a very clear role and place for our community hospitals, particularly in Shaftesbury.

5.53 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): This so-called transformation process has been going on in fits and starts in Staffordshire since 2014. By 2020-21, the deficit will be £347 million, including social care, according to the draft STP presented behind closed doors in Whitehall in July. The Secretary of State has refused to publish that plan, of course, but what is important is that the menu being cooked up behind the scenes is already being dished out in practice, with no meaningful public consultation, playing fast and loose with NHS guidelines. It is being driven by cost-cutting, bullied through by NHS England, not rational planning for better integrated care in the future, even if that means that, in the short term, the pressure on patients is increased, particularly at our local Royal Stoke University hospital, where the wretched sight of trollies queuing up in A&E corridors is now commonplace.

Before the summer, the closure of ward 4 at the local Harpolds hospital took away a safe place of discharge for patients with mental health problems. Cuts to the county’s better care fund threaten the viability of drug, alcohol and other services, as well as respite and rehab facilities such as those at Brighton House in Newcastle. Last month, we learned that both wards at Cheadle community hospital will close, further affecting discharges, while social services struggle to cope. Children’s A&E at Stafford has shut, and last week staff at Newcastle’s community hospital, Bradwell, learned that three of its wards are to close this winter or next spring. As a result of all that, the pressures on our local acute hospital will simply continue to multiply.

As a county, Staffordshire does not fit together as a healthcare whole. While the north and west look to Stoke, the south engages with Birmingham, Wolverhampton and even Worcester, and the east with Derby. Rather than plan integrated care along those pathways, I understand that a county-wide merger of everything is now on the cards. That monolith has been called, with no sense of irony, an accountable care organisation, yet the health and care transformation board has been anything but accountable so far, not least in relation to the pay that senior executives are raking off from this process.

The parachuted-in programme director, Penny Harris, is being paid a salary of £168,000 a year for a four-day week, and her deputy, Sarah Carter, is on £172,000 for a five-day week. The lead finance officer, Neil Chapman, is on £244,000 a year. Add in two other people on the Staffordshire board who are on £131,000 and the annual bill for just five of them comes to £846,000. Another £675,000 is going to KPMG, which means that more than £1.5 million is being paid by the local NHS. These people, quite simply, are devouring what is left in the pot for transformation.

5.57 pm

Antoinette Sandbach (Edisbury) (Con): I am delighted to be able to speak in this debate.

Two hospitals serve my constituency, namely the Countess of Chester hospital and Leighton hospital, which is actually in my constituency. There are going to be pressures on Leighton hospital: the clinical commissioning group is indicating that it may cut its funding, despite an increase in funding to the four local CCGs that serve my constituency.

I was surprised by the speech made by the shadow Secretary of State, the hon. Member for Hackney North and Stoke Newington (Ms Abbott), because the big pressures on health in Cheshire are a result of the slash-and-burn tactics adopted by Labour in Wales. It is a case of, “Do as I say, not as I do.” Labour’s actions over the border in Wales have had an impact on health
services in Cheshire. It has cut the health budget—it has not even kept pace with inflation—and downgraded a huge number of hospitals. It has closed almost all the community hospitals, and it suggested that some patients would need to drive for more than two hours to access maternity wards. One of those hospitals would have been the Countess of Chester—it would have had to have served a huge rural hinterland—and it is not in Wales, so I take no lessons from the Labour party when it comes to transformation plans. Labour’s actions in Wales mean cuts, the downgrading of services and worse access to care than the current position in England.

I agree with the hon. Member for Central Ayrshire (Dr Whitford) that the transformation programme provides huge local opportunities, including to form tailor-made plans that will suit local populations, particularly in Cheshire, which has large rural populations. The opportunity to deliver more services in a primary care setting should be welcomed.

On funding for social care, I welcome the fact that changes in the budget mean that additional funding from council tax receipts will go to local authorities to help with their social care budgets. To that extent the involvement of the local authorities, Cheshire West and Chester, and Cheshire East, in the transformation plans, and in particular the integration of social care and health services, provides an opportunity which I hope the STP in Cheshire will seize.

6 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): I draw attention to my entry in the register of interests. My husband is a non-executive board member of Chelsea and Westminster Hospital NHS Foundation Trust.

Like many Members, I have had a very large mailbag about today’s debate because so many of my constituents rely on the NHS to keep them and their families in good health, and they want the NHS to carry on providing good, appropriate services that are accessible and timely, and free at the point of entry. They want funding not only to address the deficit, but to invest in improvement of services. Those who work in the NHS care deeply about its future and want to be able to do their best for their patients.

Like the constituents of my hon. Friend the Member for Hammersmith (Andy Slaughter), people in my constituency are deeply concerned about the future of Charing Cross hospital—a large general hospital with a busy A&E department in the neighbouring seat which serves many of my constituents. The hospital’s future has been uncertain for at least five years, since the north-west London NHS first proposed closing A&E there and in four other north-west London hospitals.

People are extremely worried about the travel times from Chiswick to the nearest A&E, about the inevitable downgrading of the other services on that site once A&E goes, and about the capacity of neighbouring hospitals to cope with the inevitable additional pressure. The issue has been ongoing for a while for us.

The STP comes at a time when we have a £1 billion funding gap in north-west London. It is proposed to close 500 beds and a 40% cut is proposed in face-to-face consultations. This is against a background of rising population and increased health needs and in the context of our services currently missing many targets.

Social care cuts are crucial to the argument. How can STPs have any credibility if the NHS cannot plan nationally when the other main services relevant to people’s long-term health are funded and controlled in a different place and in a different way and are being cut and cut and cut?

The north-west London STP, as I said, proposes cutting beds. We all want treatment to be less dependent on spending nights in hospital beds, and some reduction in acute beds is inevitable with changes in modern health provision, but 500 beds is a staggering number proposed to be cut in west London, where the population is rising and ageing.

I will end by responding to Members on the Government Benches about the funding gap in the NHS. The NHS would not have a funding crisis if this country matched the health funding per head of similar countries. The King’s Fund has shown that the UK public purse spends a smaller proportion of GDP on healthcare than countries such as Portugal, Japan and the Netherlands. If those countries value health in this way, surely so can the UK.

6.3 pm

Jeremy Lefroy (Stafford) (Con): First, I would like to place on record my thanks for the tremendous work of NHS staff throughout the country, in particular NHS staff in my constituency and the constituencies of other Members in Staffordshire, at the County hospital, the Royal Stoke hospital, GP surgeries and so on. They have done a great job over the past five or six years when our health economy has been in the national spotlight.

Of course, we have had our own sustainability and transformation plan since 2012, with the trust special administration of the Mid Staffordshire NHS Foundation Trust. It was an extremely difficult and challenging time and I want to draw out two points from that. The first was eloquently made by the right hon. Member for North Norfolk (Norman Lamb)—the vital importance of consultation at every level. Do not leave people in the dark. There is nothing that my constituents like less than finding leaked reports and things that they are supposed to know about that they do not know about. Please keep as much in the public domain as possible. No doubt there will be plans that arouse anger and hostility, but it is better to deal with that properly and in public. That is what we discovered.

The second thing I want to say is: “Stick to what you agree.” What the trust special administrator for Mid Staffordshire came out with was not what we wanted. In fact, it was far short of what we wanted, although it was better than the minimum that was proposed at first, largely as a result of our local campaign. We have just had, as the hon. Member for Newcastle-under-Lyme (Paul Farrelly) mentioned, the temporary closure of our children’s emergency centre on safety grounds. That centre was specifically committed to in the trust special administrator’s proposals, and it only opened a year and two months ago. It must be brought back immediately, or as soon as possible—that means in the next few weeks—because it was a commitment. Commitments that come out of the STPs must be met.

The final point I want to make, following on from what others have said, is that we spend too little of our GDP on health. Even The Economist, as it made clear
in an article last week, says that we need to spend a
higher proportion of our GDP on the NHS. That
means raising the money; in my view, we should do so
through higher rates of national insurance in the long
term. My hon. Friend the Member for Salisbury (John
Glen) and I wrote an article about this a couple of years
ago, in which we recommended a hypothecated tax. I
believe that that is still an important way forward. As
others have said, the STPs offer a good opportunity to
go forward and make necessary changes, particularly
around health and social care, but STPs that do not
look beyond 2020 at the percentage of our GDP that we
spend on health and social care will not succeed.

6.6 pm

Barbara Keeley (Worsley and Eccles South) (Lab):
The Nuffield Trust has said that the sustainability and
transformation plans could lead to
“fundamental changes in the shape and nature of health and care
services.”

As we have heard in this debate, despite the significance
of the plans, there has been very little opportunity for
patients, the public, NHS staff or Parliament to scrutinise
them. The BBC has seen draft STPs that propose ward
closures, cuts in bed numbers and changes to both A&E
and GP care. The Nuffield Trust, which has examined
the STPs, sees the same possible changes plus a questioning
of the role of community or cottage hospitals, which
Conservative Members have referred to. Those are the
reasons why many people, including my constituents,
are concerned about the lack of consultation on the plan.

In Greater Manchester, the devolution document
“Taking Charge”, which was published last year, is
being used as the basis for the STP for Greater Manchester.
It outlines the need for integrated health and social
care, and reform plans for cancer, mental health and a
number of other services. Our health and social care
partnership believes that it made significant efforts to
reach out to local people with the “Taking Charge”
document, but when I looked at it I found that the
actual number of people who were definitely reached
was quite a small proportion of the 2.5 million population
of Greater Manchester. A number of information booklets
were sent out, there were 200 meetings and 6,000 people
completed a survey, but we have 2.5 million people
living in Greater Manchester.

The document does not include detailed plans about
which services will be changed or any cuts that will be
made in Greater Manchester under the STP. The document
does outline savings totalling £1.5 billion—including
from things such as prevention, reform of NHS trusts,
productivity savings and joint working—but it provides
no detail about how that will be done.

The health and social care partnership board is now
finding a number of gaps that need addressing, including
in the delivery of the nine “must dos” in the five-year
forward view. As with savings, decisions about how to
deliver those “must dos” are bound to have a significant
impact on existing local services. The financial situation
of our health and social care sector is, to me, one of the
most important issues. I am concerned that the Government
are passing the buck to local authorities and NHS
trusts, leaving them to make plans without sustainable
funding.
6.12 pm

Margaret Greenwood (Wirral West) (Lab): To understand the significance of the Government’s creation of the sustainability and transformation plans, we need to be aware of what has gone before and consider the extent of the financial crisis. In 2012, the coalition Government passed the Health and Social Care Act, paving the way for the privatisation of the national health service and removing the duty of the Secretary of State to provide and secure a comprehensive health service in England. I believe the STPs are a key part of the Government’s plan to drive through privatisation.

Mr George Howarth (Knowsley) (Lab): Does my hon. Friend agree that the concern in our part of the world is that the word “sustainability” is all about financial sustainability, not the sustainability of services?

Margaret Greenwood: My right hon. Friend has hit the nail on the head.

Monday’s Liverpool Echo leaked some of the detail of Merseyside and Cheshire’s STP, reporting an anticipated £1 billion deficit by 2021. The STP talks about a “need to reduce demand, reduce unwarranted variation and reduce cost.”

Those are all very nice ambitions, but the idea of trying to reduce demand just to plug a £1 billion funding gap is, frankly, the wrong way to deal with planning a sensible health service. The STP also says that there is an “appetite” for hospital reconfiguration—an appetite among whom, one might ask—as the existing set-up is unaffordable. It says there will be a requirement for “our hospitals to be reconfigured, consolidated with less sites and clinicians and consultants working increasingly in new emerging networks.”

There is a problem with commas in the document, so who knows what it means. In other words, there will be cuts to staff and cuts to hospitals.

Mr Mark Hendrick (Preston) (Lab/Co-op): Does that not show—it was certainly the case in the Chorley A&E closure—how this is being done by stealth? There has clearly been an increase in demand, but the support has been spread, rather than targeted at localities.

Margaret Greenwood: My hon. Friend is absolutely right.

The plan goes on to say that “the shape and size of the hospital’s bed base will need to be reconfigured.”

In other words, there is a real threat to the number of available hospital beds we will have, and I am particularly concerned about Arrowe Park hospital in my constituency. One radical proposal is the merger of four major hospitals in the area.

Let us be clear; the STPs are vehicles for cuts. They are being devised in secret—hence the need for the local paper to leak the details—and are to be delivered by local areas at arm’s length from the Secretary of State, just as the Health and Social Care Act 2012 allows. He can just shrug his shoulders and say that it is nothing to do with him. That is absolutely not good enough.

The Government must publish the STPs in full. They must provide time and resources for meaningful consultation with healthcare workers, the public and elected representatives, and provide the extra funding the NHS so desperately needs. Otherwise, the STPs will prove the final piece in the privatisation jigsaw, and we will see the sale of assets, our hospitals sold off, and the break-up of services, with patients having to find their way around a fragmented and dwindling healthcare system. Our hard-working NHS staff will see more and more of their jobs moving to private providers and their pay, terms and conditions being undermined. The public absolutely do not want that. They know what the Government are up to—I have had such a big mailbag on this issue. People are concerned and absolutely understand the context. There is a way around this: it is time for the Government to hold up their hands, admit that they have been rumbling and put an end to their privatisation of the national health service.

6.16 pm

Mrs Emma Lewell-Buck (South Shields) (Lab): We have all become accustomed to the Conservative party’s disdain for our NHS since the shambles of the top-down reorganisation that began in 2012. Now we have the stealthy introduction of sustainability and transformation plans—secret plans that would bring yet more unjustifiable and drastic reforms to cash-starved hospitals. Instead of being given the funding they so desperately need, hospitals are being asked to make £22 billion of efficiencies to compensate for this Government’s total mismanagement of our NHS. The audacity of making hospitals themselves pay the price for that by threatening them with closure or the reduction of acute services is the final act of treachery in a tragic and deliberate play to decimate our NHS.

South Shields is part of the footprint area of Northumberland, Tyne and Wear, an arbitrarily created boundary. By 2021, the health and social care system in that footprint area is projected to be £960 million short of the funds it needs to balance its books while maintaining the same level of care for patients. Make no mistake: these plans are about cuts. They are nothing to do with transforming our NHS for the better. The NHS has been set an impossible task by the Government; the endgame is to see it in private hands.

The Government have said that the initial STP submissions to NHS England are “for local use, and there are no plans to publish them centrally”—a nice touch to put the onus once on to our hospitals again, so that the Government themselves do not have to deal with the flak.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Will my hon. Friend give way?

Mrs Lewell-Buck: I would rather not, because a lot of people are waiting to speak.

I was born in South Tyneside hospital. I am the local MP for the area, and I have not seen a single plan—not even the governors at my local hospital have, let alone the people of Shields, whose vital acute and emergency services could be devastated by these changes.

I am told that the timetable for implementing these unseen plans begins this autumn, yet the first we will see of them in my area is at the end of this month—that is, in the autumn. I am extremely alarmed at the lack of accountability and transparency with which the plans...
are being pushed through. There is simply no time at all for consultation. I make a plea to all NHS leaders not to be complicit but to stand up for their hospitals and the communities that they serve. The Government have no mandate for such a radical reconfiguration of our NHS, one that could involve the closure of accident and emergency and acute services up and down the country.

Last week, the Prime Minister called in NHS leaders to order them to stop any hospital mergers or closures that risk causing local protests. There is already a protest in my constituency.

6.19 pm

Liz McInnes (Heywood and Middleton) (Lab): Before entering the Commons, I worked for 33 years in the NHS and saw and experienced on a daily basis the service that it provides to millions across the UK, from its GPs to its world-leading research and development. With 80% of hospitals in debt, bed-blocking at record highs, an ageing population, waiting times for cancer treatment lengthening, underfunding of social care, mass staff shortages in hospitals and a future where collaboration with the European Union is unclear, we should show our commitment to our NHS in its time of need and give it the funding it deserves so that it can succeed for all patients.

The NHS STPs do not clearly address those issues. As many hon. Members have said, they have been shrouded in secrecy and drawn up behind closed doors. There has been no public consultation, and there is a staggering lack of evidence that they will deliver the reductions and improvements the Government promise. They will be untried and untested, and will come at an unimaginable cost to patients if they are found not to be the right path to pursue.

I am a Greater Manchester MP. When the metro mayor plan was introduced, bold promises of devolving power to the region were made, including in health.

Dr Huq: My hon. Friend mentions local government. Is she aware that, in north-west London, which is one of the few areas not to have had its STP published, the London boroughs of Ealing and of Hammersmith and Fulham have not signed up to the STP? They are refusing to do so because it threatens the closure of both Ealing and Charing Cross hospitals. The mistrust and secrecy is everywhere, including in local government.

Liz McInnes: My hon. Friend highlights the secrecy surrounding STPs and the attempts of local authorities and the devolved regions, including Greater Manchester, to deal with devolved health issues, as they are supposed to do.

The promise to devolve health was front and centre of the Cities and Local Government Devolution Act 2016. Metro mayors would need to be consulted like any other political leader, and the plans jeopardise the autonomy of the metro mayor’s powers. The British Medical Journal states that STPs may risk the post of metro mayor “becoming a rallying point for opposition to service reconfigurations.”

Not only metro mayors and clear legislation are needed if the STPs are to be effective. Councillors and committees must be at heart of the planning process, and health and wellbeing boards must be an integral part of it. They are the only place where local political, clinical and professional leaders come together. They can be pivotal in driving change, but they seem to have been put on the waiting list for consultation.

As with the disastrous Health and Social Care Act 2012, overseen by the former Prime Minister, and now former MP for Witney, the proposals take us on a journey to another calamitous reorganisation of the NHS. It is now a necessity that the Government abandon the timetabling and scheduling of such a major restructure package. Perhaps now is the time to step down and take stock, like the former Prime Minister. I call on the Government and Secretary of State for Health to go back and reconsider not only the timeframe but the proposals in general, and to have a full and frank public consultation, allowing for transparency and debate at local and national level.

6.22 pm

Justin Madders (Ellesmere Port and Neston) (Lab): This has been a high-quality and interesting debate. I welcome the Minister of State, Department of Health, the hon. Member for Ludlow (Mr Dunne), to his new role. As he is new to the role, I will forgive him for not knowing precisely how many trusts ended last year in deficit—it is 80%, by the way. As my hon. Friend the Member for Lewisham East (Heidi Alexander) said, that is the context in which we are discussing the plans, which means that the public will rightly be cynical about them, particularly if they are presented with a final plan. The Minister underplayed their development a little when he said that they were simply ideas. If that is all they are, let us see them.

We have heard contributions from the hon. Members for Bosworth (David Tredinnick), for Central Ayrshire (Dr Whitford) and for Totnes (Dr Wollaston); my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown); my hon. Friend the Member for Dewsbury (Paula Sherriff); the hon. Members for Spelthorne (Kwasi Kwarteng), for Bedford (Richard Fuller) and for Faversham and Mid Kent (Helen Whately); my hon. Friend the Member for Bootle (Peter Dowd); the hon. Member for Lewes (Maria Caulfield); my hon. Friend the Member for Hammersmith (Andy Slaughter); the hon. Member for North Dorset (Simon Hoare); my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly); the hon. Member for Eddisbury (Antoinette Sandbach); my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury); the hon. Member for Stafford (Jeremy Lefroy); my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley); the hon. Member for Bath (Ben Howlett); and my hon. Friends the Members for Wirral West (Margaret Greenwood), for South Shields (Mrs Lewell-Buck) and for Heywood and Middleton (Liz McInnes). I am sorry that I am unable to refer more to hon. Members’ contributions because of the time pressures.

Let us get down to the brass tacks. This is another reorganisation of the NHS, only this time it is being done behind closed doors. It is not just a reorganisation but an admission, as if we did not already know it, that the Government got the last one wrong. The Opposition
do not need persuading that there is a benefit to more localised strategic oversight of the NHS and the health sector. We know that because we opposed the Government’s decision to scrap strategic health authorities as part of the 2012 Act. Unlike the strategic health authorities they are now trying to replace, there is no statutory basis for STPs and there is no scrutiny or transparency at all. Despite this, they are being asked to go further than any body has ever had to in the entire history of the NHS in terms of the cuts they are being asked to make. These cuts are being cooked up behind closed doors. This is happening without the involvement of patients, carers, clinicians, trade unions and staff. Consultation with the public does not mean presenting them with a completed plan as a fait accompli and asking them whether they support it. It means involving them from day one. The bigger the change, the better it is to start early with that consultation.

In my area, what has been published about the Cheshire and Merseyside plan states that it “will require our hospitals to be reconfigured, consolidated with less sites and fewer clinicians and consultants.” Yes, that means fewer hospitals, fewer doctors and fewer nurses. No wonder the Government do not want to talk about it. Many Members, including the Chair of the Health Committee, have talked about the importance of consultation. We know from history that if an attempt is made significantly to alter local health services without engaging with the public and establishing local support at an early stage, it will fail. That is not just my view. This is what the Secretary of State himself said: “the success of STPs will depend on having an open, engaging, and iterative process that involves patients, carers, citizens, clinicians, local community partners, parliamentarians, the independent and voluntary sectors, and local government”.

That just has not happened so far.

Not only are the public locked out of contributing to this process, they cannot even find out what is happening. I submitted freedom of information requests to NHS England and the 44 STPs, asking for copies of the plans submitted in June. The deadline for replies is tomorrow and so far not one has been provided to me. Many have simply refused to provide me with the plans, using the exemption that they are “intended for future publication.”

When I asked the Minister when the June plans would be made available, I was surprised to read in his response that “The June submissions were a ‘checkpoint’ and will not be published.”

We have STPs saying one thing and Ministers saying something else about whether the plans will be even published. No wonder people are concerned about what is in them.

Is this not the nub of the matter? Plans about fundamental changes to local health services have been sitting on the Secretary of State’s desk since June, but he will not release them. Surely in the interests of transparency they should be made publicly available now. There is nothing wrong in principle with the idea of local partners working collaboratively to transform health services, but there is everything wrong with doing so without transparency, public involvement or clear lines of accountability.

I welcome the new Minister, the hon. Member for Warrington South (David Mowat), to the Government Front Bench. When he responds to the debate, will he commit to dropping the secrecy and listen to the concerns of clinicians and patients, and ask each area to make their plans publicly available immediately? Will he clarify his role in the plans? When responding to a point made by the right hon. Member for North Norfolk (Norman Lamb), he said that plans will not go ahead if they do not deliver for mental health. However, the Minister of State, in response to a written answer, said:

“The reconfiguration of services...is clinically led and a matter for the local National Health Service.”

So which is it? Who will get the final say? Will it be the Government or will it be the local STPs?

What we have seen so far is a process that has failed to engage with just about every stakeholder imaginable, but even those who have been invited to attend the meetings are beginning to lose faith in the process. Council leaders and officers are queueing up to express their concerns. We heard from my hon. Friend the Member for Bootle about how his council leader’s concerns were dismissed. The Conservative leader of Kent County Council, Paul Carter, said:

“In Kent and Medway, NHS England is doing everything it can to keep local government out of it.”

Izzi Seccombe, Conservative leader of Warwickshire County Council, said that local government was being “left out in the cold and not involved in the integration agenda.”

If STPs are the answer, can the Minister tell us why even council leaders from his own party are finding themselves totally disengaged from this process?

Many Members, including my hon. Friend the Member for Lewisham East and the hon. Members for Central Ayrshire and for Totnes, made the point that much of the money set aside for transformation has been spent on deficits, so let us not pretend that STPs are a panacea. Do not take my word for it; listen to what NHS providers are warning:

“We must be realistic about what STPs can achieve...and what they can deliver in terms of the £23 billion efficiencies required. It should not be overestimated.”

Nigel Edwards, of the Nuffield Trust think-tank, says:

“I’ve been visiting a lot of STPs and nobody I’ve spoken to is confident they can reduce the financial gap.”

Given the warnings we have already heard, will the Government seriously engage with the health service on the challenges they face, or will they continue to insist on impossible targets and Unrealistic timetables?

I am sure the response will be the same one that we hear time and again: that the Government are investing £10 billion more in the NHS. We know, however, that that is an illusion. The Health Committee has confirmed that they are in fact delivering less than half of that, while at the same time chronically underfunding social care. The NHS has just had its biggest deficit in history under the stewardship of this Government, but the Secretary of State is not simply trying to convince us that he will maintain services at their current level, he is telling us that he will somehow do more.

The Government are in denial. It seems that virtually every day somebody is warning us that the NHS is on the brink of collapse. Only this weekend, the chief executive of NHS Providers said that “we face a stark choice of investing the resources required to keep up with demand or watching the NHS slowly deteriorate”.

The Society for Acute Medicine has warned us that the NHS could experience “pockets of meltdown”. In the real world, not one serious commentator or senior NHS
manager—not one—believes the NHS can deliver the services that it currently does, function safely, improve quality, move to 24/7 working and be financially sustainable. Let us end this charade; let us open up the debate and get to the truth about the damage being caused to the NHS by this Government. I commend this motion to the House.

6.30 pm

The Parliamentary Under-Secretary of State for Health (David Mowat): In the six minutes available to me, it will not be possible to respond to the 40 or so speeches that we have heard today. I shall just pick out two contributions for special mention. First, so far as I can see, the shadow Secretary of State genuinely believes that an organisation that provides care to 45 million people on a budget of £100 billion should not do planning. That really appears to be the view of the hon. Member for Hackney North and Stoke Newington (Ms Abbott). Secondly, the hon. Member for Central Ayrshire (Dr Whitford) made an excellent speech, in which she used the word “opportunity” in connection with STPs, which is what they provide. She also said usefully that healthcare systems were about “more than buildings.” As we go forward with this process, it is important that we all think about what that means.

The health service is not static. Technology is changing; drugs are changing; expectations are changing; and, as we have heard, demography is changing. It is right to try to make it evolve and help it to change. The STP process is the planning mechanism to do so. It is a planning mechanism to put in place a five-year view—that was in the manifesto—that NHS England has developed. If it is to work, it must have three things: it has to be care driven; it has to be properly funded; and it has to be locally driven. It is all those things.

Mr Jamie Reed (Copeland) (Lab) rose—

David Mowat: I shall not take interventions; I now have only five minutes left.

When it comes to funding, we have put in an extra £10 billion, and it is real money. If that money had been available in Wales, some of the points raised in the debate about the interface between us and Wales would have been quite different. This year, the increase in health funding is 4% in real terms—three times the rate of inflation. The real point, however, is not to do with money—however much the Conservatives put in and however much Labour says it might put in, although we have not heard that yet. But however much is put in, it does not detract from the need for the health service to be managed effectively and properly so that it can improve and innovate.

There is a prize from these STPs. At the end of the process, we will have a health service that is more oriented towards primary and community care where people live. The health service will provide better access to GPs, emphasise prevention more than ad hoc responses, properly address long-term conditions such as diabetes and begin to address more quickly our mental health and dementia commitments. I say again that if STPs do not address those things, they will not go forward. Perhaps the most important of all the advantages is that the unacceptable gap that currently exists between healthcare and social care will be breached. That is at the centre of the whole process.

Karin Smyth (Bristol South) (Lab): Will the Minister give way?

David Mowat: No, I will not. I have only four minutes left, but the hon. Lady, who worked with me on the Public Accounts Committee, can come and see me.

It is also true to say that if we achieve all those things, there will be lower hospital admissions and more humane and timely discharges. That might save money, but it is not being driven by the need to save money. It is driven by care needs because that is the right thing to do.

Let me deal quickly with the STP process. We have been told that it is a secret process and a Trojan horse for privatisation, and we have heard that we are not going to consult. Well, let us talk about consultation first. The right hon. Member for North Norfolk (Norman Lamb) made some good points about the difficulties involved in change programmes on which proper consultation does not take place. However, we must have something on which to consult that is reasonably agreed and reasonably stable, because if we do not, we shall give rise to expectations that cannot necessarily be fulfilled—in both directions, positive and negative.

When the STPs come back in October after being signed off, they will be consulted on. A document that will be in the House of Commons Library by the end of the week will describe in detail how all the stakeholders will be consulted and what we will do, but in any event—this point was made by my right hon. Friend the Member for Chelmsford (Sir Simon Burns)—no consultation and no engagement will take away the statutory commitments, the need for configurations to be looked at properly, and the requirement for nothing to proceed that has not been locally agreed.

We were told that the plans were secret. In fact, they were so secret that they were announced in December 2015, in the NHS planning guidelines. They were so secret that 38 Degrees, which was responsible for the principal leak, obtained its information from the websites of the organisations that were keeping it all secret. If we ever do something in secret in future, it really will be done better than this.

The STP process is complex. It will not work equally well in all the locations, and there will be issues to resolve. Some plans, if they are not adequate, will not be proceeded with in the same way as others. I say this to Members, however: we need you to engage with the process—

Dame Rosie Winterton (Doncaster Central) (Lab) claimed to move the closure (Standing Order No. 36).

Question put forthwith. That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 195, Noes 280.

Division No. 67] [6.37 pm]

Ayes
Abbott, Ms Diane
Abrahams, Debbie
Alexander, Heidi
Anderson, Mr David
Ashworth, Jonathan
Bailey, Mr Adrian

Noes
...
Beckett, rh Margaret
Benn, rh Hilary
Berger, Luciana
Betts, rh Clive
Blackman-Woods, Dr Roberta
Blomfield, Paul
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Campbell, rh Mr Alan
Champion, Sarah
Coaker, Vernon
Cooper, Julie
Cooper, rh Yvette
Coyle, Neil
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
De Piero, Gloria
Debbonaire, Thangam
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliot, Julie
Elliot, Tom
Elman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrell, Paul
Farron, Tim
Field, rh Frank
Fitzpatrick, Jim
Fielo, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Glass, Pat
Glindon, Mary
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew

Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hepburn, Mr Stephen
Hillier, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hur, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewthwaite, Mrs Emma
Long Bailey, Rebecca
Lucas, Ian C.
Lynch, Holly
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Marrs, Rob
Marsden, Gordon
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McCarty, Kerry
McCartney, Jason
McDonagh, Siobhan
McDonald, Andy
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McMahon, Jim
Meade, Sir Alan
Mears, Ian
Miliband, rh Edward
Moon, Mrs Madeleine
Morris, Grahame M.
Mulholland, Greg
Murray, Ian
Nandy, Lisa
Onn, Melanie
Osamor, Kate
Owen, Albert
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Pugh, John
Rayner, Angela
Reed, rh Mr Jamie
Reed, Mr Steve
Rees, Christina
Reynolds, Emma
Ritchie, Ms Margaret
Robinson, rh Geoffrey
Rotheram, Steve
Shah, Naz
Shannon, Jim
Sharma, Mr Virendra
Sherriff, Paula
Shuker, Mr Gavin
Sidq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smyth, Karin
Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Brady, Mr Graham
Brazil, rh Sir William
Bridgen, Andrew
Brine, Steve
Brokenshie, 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
Caufield, Maria
Chalk, Alex
Chisholm, Rehan
Chopie, Mr Christopher
Churchill, Jo
Speeial, rh Mr John
Starmer, Keir
Stevens, Jo
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thomas, rh Mr Gareth
Thompson, Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
West, Catherine
Whitehead, Dr Alan
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wright, Mr lain
Zeichner, Daniel

Tellers for the Ayes:
Jeff Smith and Jessica Morden

NOES
Clarke, rh Mr Kenneth
Cleeverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glynn
Davies, Dr James
Davies, Mims
Davis, rh Mr David
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Dowley-Price, Jackie
Drax, Richard
Drummond, Mrs Fiick
Duddridge, James
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennnett, rh David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
NHS Sustainability and Transformation Plans

14 SEPTEMBER 2016

Question accordingly negatived.

Business without Debate

DELEGATED LEGISLATION

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

CONSTITUTIONAL LAW

That the draft Human Trafficking and Exploitation (Scotland) Act 2015 (Consequential Provisions and Modifications) Order 2016, which was laid before this House on 11 July, be approved.—(David Mundell.)

Question agreed to.
Nottingham Express Transit Extension

Motion made, and Question proposed. That this House do now adjourn.—(Chris Heaton-Harris.)

6.51 pm

Anna Soubry (Bristol West) (Con): I note the rush as everybody wants to join in this debate. They all seem to be leaving—what a surprise! I warmly welcome the Under-Secretary of State for Transport, my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), who is sitting on the Front Bench—and rightly so. Who better than the hon. Member who represents Blackpool to deal with and respond to this debate about the extension of the tram system through my constituency and onwards to Toton.

I want to make it clear that this short debate is not about the rights and wrongs of trams or about funding. This debate is about looking at what happened as the tram works took over two years to be completed—an undoubted nightmare for residents and my business community. It is about learning lessons to ensure that we never get a repeat of an unfortunate and wholly unacceptable tale of woe over two years and eight months. I lived in Nottingham for about 25 years until I was elected in 2010 and I use the tram. It is a pleasant and modern form of public transport. I am not anti-tram, but I am anti the experiences of so many of my constituents.

The tram network cost £570 million. It was unfortunately eight months late. It has been a sorry tale. A photograph speaks a million words, so I have been asking people to look at my website and to follow the photographs that I have been tweeting because they really show what has been a nightmare for my constituents. We have to learn the lessons. We must also be aware that often when we undertake these huge pieces of infrastructure, many people feel that they have suffered incredible pain and have not actually gained much themselves.

I want to start with what is a big problem in our society. A huge swath of our society feels that they have no voice post-referendum. They feel disconnected and unrepresented; in short, they feel powerless. A large number of my constituents in the affected area feel the same. I want to congratulate a Facebook page called the “NET Tram Extension Ranting Room”. It was created by one of my constituents, a man called Tony Smith. He will forgive me if I say that he was a completely ordinary person—in fact, he is a rather remarkable person. He set up the Facebook page in real frustration in the face of these tram works. As events have taken place, it has emerged that since about the 1990s people have, understandably, felt in favour of the tram. They want better transport—“We like it; it’s a good idea.” However, what we do not like is when people use aliases; they do things online and offline in their campaigning that create an atmosphere in which people feel, “I don’t agree with that, but I have no voice. I have no say. I can’t get involved in this. When I go to a public meeting, I am howled down.” People feel powerless, as happened in this case in the run-up to the public inquiry in about 2007.

I urge the Minister to examine public inquiries. I will write to him in more detail about how I feel we can ensure that ordinary people’s voices are genuinely heard. I am very concerned about some of these online questionnaires, which are very prescriptive, and about the fact that people can organise in campaign groups and then misuse social media to make out that they have more supporters and followers than they have. In public inquiries, there is no genuine equality of arms. We were left dealing with this barrage of local authorities—the city council, the borough council and the county council—and the people who wanted to build the tram. They have the ability and the resources to employ experts, counsel and sometimes Queen’s counsel, although I make no complaint about any of these things. Often the campaign groups can do that, if they are well organised and have some money together, whereas an ordinary citizen often relies on their borough councillor. They are well meaning, good people, but they are nothing like as well prepared and do not have all the resources that others have. What has come out of the experience in my constituency is that ordinary people living on the very streets that were about to be dug up felt that they had no voice and no say. We must make sure that we have real equality of arms in public inquiries, so that everybody can be heard and everybody can be represented.

The “ranting room”, as it is now called, has almost 1,950 members. It is not always pretty, as the language is often fruity and I would completely dissociate myself from some of the comments. But this is a place where genuine, ordinary people came together to protest as they saw their community being dug up. They felt completely disfranchised and saw their lives being turned over. Out of this has come much good: a community has been formed; there have been a few romances, and lots of friendships have been made; and there has been a continuing desire to hold people to account and make sure that the lessons are learned.

What are those lessons? First, we must make sure there is proper consultation and that ordinary people feel that they have a voice and it is heard. We also must ensure that we plan properly for these huge pieces of infrastructure. We are looking towards some of the work that the Government have, quite properly embarked on, such as HS2. I am a great fan of HS2 and I stood on a clear platform of supporting it; the East Midlands Hub is coming to Toton, and that is extremely good news. I believe it is supported by the majority of people in my constituency. I believe the Minister has also had a project in his constituency, so he knows that these pieces of infrastructure must be done properly. Let us learn from these various experiences.

On proper planning, we must make clear the benefits that we seek to achieve. Obviously, if the tram system in Nottingham is extended into a place such as Toton—the hon. Member for Nottingham South (Lilian Greenwood) is here and I know that the other line went to Clifton—the fundamental benefit will be to provide good public transport, not only for all those people who live along the line but for commuters who use the park-and-rides at the terminuses. We know that we want to get cars off the road, to get people into the city more quickly and to reduce emissions—those are all laudable things. I have no difficulty with making sure that people can catch the tram and go to the Queen’s Medical Centre, the Central College in my constituency or Nottingham University. These are all good things.

We should be looking with more care at the business cases often attached to these projects, and ensuring that some of the big claims that are made are accurate. The 2011 business case said that 10,000 jobs would be
created by the extension of the Nottingham tram system. Indeed, it said that the town of Beeston, which sits in my constituency, would be regenerated and transformed.

7 pm  

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris.)

Anna Soubry: I think that there may be some hollow laughter from people in Beeston, which is a great town and a wonderful place with great independent shops, cafés, bars and fabulous pubs, as they are yet to see this regeneration and transformation. This is a town that was effectively strangled by the works. The works were meant to last for two years; in fact, they went on for an extra eight months. Yes, we do have a shiny new tram, and Beeston High Road, where my constituency office sits, looks good. Unfortunately, it is bereft of shoppers, and the town centre needs urgent and radical improvement. All of those things could have been done when the town was being dug up, but, sadly, they were not, and that was a really big and serious failure.

If we are creating huge pieces of infrastructure, we must look at the full picture so that when the infrastructure is completed in these residential, urban and suburban areas, everything is there that we want—the place is sorted out and the new transport is in place. Then the town can recover from what has been an extraordinary and damaging experience for people.

I have been talking about businesses, but residents too have been affected. I am thinking of the residents on Lower Road and Fletcher Road, two lovely, quiet cul-de-sacs, who suddenly found a major infrastructure project and power drills literally by their front doors. They were affected not just for a few weeks, but month after month. Indeed, it became year after year, and they had to live through it all—the photographs really do say it all. The issues still go on, because now we have problems with the drains. It is as if everything has been dug up and started again.

In that planning, it is also very important that tiny things are considered. They may seem very minor, but they are in fact hugely important. I am talking about the small details, the stuff of people’s lives that really makes a difference to the quality of people’s lives. It makes a difference as to whether people feel engaged with something or totally alienated by it. Apparently, Sky News used to look at my email newsletter when I was raging on about these works and the inconvenience and upset that they were causing to my constituents. This may seem a small point, but it was incredibly important that my constituents could not get the fencing that they said they had been promised to screen the track. These were people who had enjoyed a green vista, either over the allotments or over a piece of green open space. The tram comes along, and they have all the disruption and then they find that they cannot get the right height of fence. I know it sounds small, but for people living on Brookland Drive, Lime Grove Avenue or Holkham Avenue, it meant an awful lot and we had to fight like tigers to get the right fence.

I pay tribute to the City Council in Nottingham, and, essentially, I understand what was happening. In effect, the tram benefits the citizens of Nottingham. It goes through my constituency, and it does benefit those people who choose to use it, but the pain that it has caused has been extraordinary. We have a democratic gap in accountability. It is the people of Beeston and Chilwell who have suffered all this disruption, but the accountable authority was not their local council, but the city council. With great respect to John Collins, the leader of the city council and a man I like—he is not from the same political party but that does not matter; he would always meet me and try to help—this sounds harsh, but it was never in the city council’s interests to sort it all out, because its members were not going to take the hit at the ballot box when the next set of elections came along. We need to ensure that there is some better way of doing things, so that there is genuine accountability when things do not go right.

Construction was a nightmare. We need good, responsible and efficient construction and proper communications with people. One of the things that drove wonderful community champions—a lot of good came out of this for the community, including wonderful people such as Allison Dobbs, who suddenly stepped up and almost devoted her life to representing people—was this terrible lack of communication. People were literally being told, “Oh, by the way, in two days’ time you’re moving out of your home for a week or so because we’re going to work through the night.” Carole Wall stepped forward as well. I also have to mention Lloyd Wildish, a man who had lived on Lower Road all his life, but who was ignored when he talked about the state of what was under the roads—his local knowledge was ignored. Obviously, construction has to be done on time, but we have to make sure that the works are done in a reasonably civilised way so that people’s lives are not as blighted as they were when this huge piece of infrastructure was being built on their road.

I have a photograph of somebody on High Road. Her front room is almost on the pavement, and there is a man with an enormous drill leaning against a board that is leaning against her front window. That was the reality of life for people throughout the tram works. There must be a better way of doing things so that we take much more care about the lives of people living near these major pieces of infrastructure.

On working times, I accept that we have to crack a lot of eggs when we are doing these sorts of projects. Obviously, they can be hugely beneficial, but there must be better ways of organising things so that we reduce the dust, the noise and even the rats. As I say, it was a terrible experience for the residents, and, for many of them, it is one they will not forget. By way of example, we were told that High Road, which is where my constituency office is, would be closed in one direction for six months and then in the other direction for another six months. In the event, the whole road was closed for a year. Indeed, I brought my right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin) to see, and I do not think he could believe it. I brought my right hon. Friend the Member for Tatton (Mr Osborne) down, and I do not think our former Chancellor could believe the scale of the works and the incredible adverse impact they were having on business and the lives of ordinary people. Again, when it comes to construction, there has to be better organisation. When we promise people, by way of example, that there will be good communication, we should make sure that we deliver.
Literally putting a leaflet through a letterbox the night before some huge disruption takes place is simply not acceptable.

Let me turn to compensation. Part of the public inquiry talked about how businesses would be compensated, and plans were put in place. In the event, the area in which businesses could claim was far too restrictive. Then, as the whole of High Road was closed down and businesses were on the brink, frankly, of going under, it took a campaign to get funds, but we did it: we had a petition, we went to the city, we went to the county council and we got extra funds for, effectively, an emergency hardship fund. Again, I pay credit to the officials at Broxtowe Borough Council, at the city and at the county who did everything they could to speed that up, but it took an awful lot of aggravation from their Member of Parliament to achieve that. It should not take that; it should not need me to have to fire off emails, and go to the press and so on to make sure that businesses are properly compensated and properly taken care of.

It could be argued that that compensation should continue as businesses try to make good the damage that has been caused to the town of Beeston. For two years, as I said, the town was in the stranglehold of these construction works. We all know how we shop; most of us are creatures of habit. Of course, what has happened is that a large number of people have simply gone elsewhere and formed new shopping habits. I do not mean any disrespect to Long Eaton in Derbyshire—it is a very nice place—but people have undoubtedly gone off to Long Eaton to go shopping. They have formed new shopping habits, and now we have to drag them back—well, I do not want to drag them back; I want to encourage them back—to their previous habit of shopping in Beeston, but that takes a lot of effort. Again, it needs proper planning, and we need to do that before the event, not while the nightmare is unfolding.

For residents, however, there was no compensation at all. There was no compensation for the dust, the noise and the pile drivers, day after day, month after month, with people walking on duckboards with their shopping, their car parked further down the road, slipping in the dark with no streetlights. There was no compensation for that loss of amenity and that destruction of the quality of life. I urge the Minister to look at this when we go on to other big pieces of infrastructure projects, to make sure that we do not just dismiss residents and think, “Oh, they’ll put up with it. We’re cracking these few eggs to create this glorious omelette, and when the tram— or the road, or HS2, or whatever it is—comes, they’ll see that it was all worth it.” I have to tell the House that many of my constituents do not believe it has been worth it, by any means—and it still goes on.

This is such a small thing, but I really hope that as a result of this debate somebody could go and put in the flowerbed that was promised, cut the grass, as was promised, and make the entrance to the lovely cul-de-sac that has been ripped up on Lower Road, going on to Fletcher Road, look good. That would give the residents just something back after everything that they have been through.

I do not want to sound overly negative, but there are those—some of whom have not always covered themselves with much glory in the way they have campaigned in favour of a further extension of the tram—who now seek to persuade the city council to extend the route up into Kimberley and onwards into Eastwood. I do not represent Eastwood, but I do represent Kimberley. The good people of Kimberley have looked at what has happened in Beeston and share my concern that they will find that the works will not be worth it. I certainly will not support any extension of the tram works to anywhere else until such time as we have learned the lessons.

Lilian Greenwood (Nottingham South) (Lab): The right hon. Lady rightly asks the Minister to look at the lessons that can be learned from this important infrastructure project, which created real hardship for many of my constituents—residents and businesses—as it did for hers. Does she agree, however, that Nottingham City Council is to be congratulated on creating a world-class public transport system, such that the Campaign for Better Transport has recognised Nottingham as the least car-dependent city? The tram is reducing congestion, not just for those who use it but for those who drive on our city’s roads, cutting carbon emissions, and tackling air quality, which must be an issue in her constituency as it is in the centre of Nottingham.

Anna Soubry: Nottingham is not alone in having a tram system. Many other great cities in our country have tram systems, and many of the lessons to be learned will apply to them too. There is nothing new in it.

I like the tram, but, my goodness, we are going to have to have more debates in this place about the cost of trams, and the fact that they have to connect with other types of transport. That is absolutely critical. It is a crying shame that cyclists have found that the tram tracks are dangerous. I do not think there is any doubt about that, but if there is, we will have another debate about it, and I look forward to that. We have to connect up transport. Another thing that has come out of this is that there are now parts of my constituency where people cannot use their bicycle because of the narrowness of the route. This also applies to HS2. It is critical that we get the routes right so that we do not have a situation where a tram track, as in my constituency, is winding around when there was no doubt a better route that would have far better delivered people along the transport system and reduced the amount of disruption.

As I say, there are lessons to be learned. I look forward to my hon. Friend the Minister coming to Beeston, seeing the tram system, and speaking to my brilliant constituents. I know that he will take up these lessons and, I hope, apply them to all infrastructure projects as they go forward.

7.14 pm

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): It was a pleasure to listen to the speech by my right hon. Friend the Member for Broxtowe (Anna Soubry), who spoke with her customary vim and vigour. It is fair to say that she and I share a great deal of experience of major tram works in our constituencies. They are not always plain sailing, particularly when they happen to cross the borough boundary of the sponsoring authority. That can cause problems and I recognise in what she has said a lot of my own past seven years as a Member of Parliament.
[Paul Maynard]

The Government are supportive of light rail in the right place. It is clear that it is a mode of transport that is convenient, reliable and increasingly popular. It also has considerable scope for innovation, particularly where it offers an alternative to expensive heavy rail solutions to potential transport problems. More people are travelling by tram and light rail than at any time since records began in 1983, with a 5.8% increase in the past year alone. The improvements being made to services are creating not just transport systems that people can rely on, but jobs, growth and opportunity—and the fly that seems to have taken an overly close interest in my head as I speak—as part of building an economy that works for everybody.

Recent analysis of six light rail networks by Transport Focus shows that overall journey satisfaction increased to 92% in 2015, and the figure is an incredible 98% in Nottingham. Those are the types of satisfaction figures that every politician dreams of—if we could but get them. That is why the Government have committed £371 million to the overall phase 2 of the Nottingham tram system. I am sure that my right hon. Friend does not need me to highlight the importance of Greater Nottingham’s economy, which is worth approximately £10.7 billion and supports about 300,000 locally based jobs. Nottingham is a regional capital and an important industrial and commercial centre. It is vital that it has a transport system that is reliable and can support customers, shoppers, commuters and visitors.

The light rail system is a key element in Greater Nottingham’s transport strategy. Since phase 1 opened, it has served more than 10 million passengers a year, taking approximately 3 million car journeys off the local roads and improving accessibility for local communities. Phase 2 has been open for just over a year, and it is already clear that it is boosting the local economy and improving employment levels and supply chain expenditure in the local area.

There are an immense number of positives that I could list at great length in the time available, but I acknowledge my right hon. Friend’s point that it is vital that lessons are learned in the construction of all major local infrastructure projects. I understand that, in this particular case, a lessons learned report is due to be published shortly. It will have to focus on issues such as project programming; delivery planning; how utility diversions can be managed better; the nature and extent of disruption to third parties; and the implementation of traffic management measures.

Both the Department and I will want to study the outcomes and conclusions of that report as we consider what further steps are required. I agree that we need to apply these lessons to future infrastructure projects to do all we can to minimise negative impacts, and we will work with UK Tram which represents the wider light rail sector to disseminate these findings.

I will be delighted to come to Beeston when we can fit a visit into our diaries and I look forward to meeting my right hon. Friend’s constituents. I take note of her points about cycling safety. I have seen for myself in Blackpool that what appears to be a cycle path can be all too inviting, when in fact it is not a cycle path at all—it is a tram track, and cycles have no place on tram tracks. I entirely support the points that she makes on that.

Chris Leslie (Nottingham East) (Lab/Co-op): I commend the right hon. Member for Broxtowe (Anna Soubry) for raising important points about taking care during infrastructure construction, but my constituents use the tram, they love it and they would like it to extend eventually to the east side of the city.

Paul Maynard: I note the hon. Gentleman’s comments. I hope I have made it clear that I think there are immense benefits from light rail, both in Nottingham and around the country, but those positive aspects should not minimise the impact on those who live immediately adjacent to the tram tracks, who may encounter disruption. In my constituency the tram track has been there for 100 years, so when it was upgraded the disruption was no surprise to anyone. When we are planning new tram routes, that may come as more of a surprise to people, who were not expecting the route to appear on a particular road. It will always be a case, I suppose, of horses for courses.

Anna Soubry: Does my hon. Friend agree that we might have an interesting debate in this place about the safety of tram tracks and bicycles? There are many
examples in Sheffield and Edinburgh, I believe, and not just in Nottingham, of people who have suffered. I have a constituent who nearly died as a result of their wheels getting stuck in tram tracks. Does my hon. Friend share my concern? I can assure him that in a large part of the scheme in Nottingham, including in my constituency, the tram track and cycle routes are coterminous.

Paul Maynard: My right hon. Friend tempts me into what risks becoming a specialist subject of mine—the safety of the tram tracks in my own constituency. Whenever the road and the tram occupy the same space, it can be very difficult, particularly for visitors who are not familiar with the road layout. For Blackpool, being a tourist town, that is a particular concern. People do not realise that the tram track is in fact the tram track. I will be delighted to have that debate at some point. My frustration might be that I have to be the replying Minister, who therefore cannot take part in it.

I noted my right hon. Friend’s important points about the public inquiry system. The process has to be collaborative from the beginning. As she noted, the project had to follow proper planning approval processes prior to construction, leading to a public inquiry. These inquiries are overseen by an independent inspector and the process allows both supporters and objectors to raise concerns, including consideration of the route alignment, whether alternative modes could be considered, and the anticipated transport, regeneration, environmental and socio-economic impact and benefits of such a scheme. As she knows, just such a public inquiry was held for Nottingham express transit phase 2, which would have considered views of all parties. However, I genuinely hear the points that she makes about the need for a balanced approach to ensure that everybody who has an interest gets a fair chance to have their say, and that those contributions are considered in the round, rather than it being a case of he who shouts loudest. I look forward to hearing her views when she writes to me and we will look closely at them.

I note why the issue is important, with HS2 potentially coming to Toton. I know that the Secretary of State is yet to make an official decision, but I gather that no alternative location is currently being considered. That may well mean a serious application to extend the tramway to Toton, which would raise all these concerns yet again. We have to learn from what we did the first time around and ensure that, if the tramway is extended, those mistakes are not made again.

In conclusion, we will continue to work with the light rail and tram sector to help to bring down costs, but the decision over which schemes to develop will continue to rest with local areas. That said, it is vital that lessons are learned about minimising disruption with all sorts of infrastructure projects, allowing more communities around the country a say in how light rail—or, indeed, other solutions—is developed to benefit their communities.

I am a Minister with responsibility for light rail who is not unacquainted with trams. Light rail as a whole will have an important role to play, but it has to happen with communities and not simply to them. That will be my watchword as we move forward. I hope that we will see the growth of light rail across the country where it is most appropriate, working with the communities who will be affected, not against them.

Question put and agreed to.

7.25 pm

House adjourned.
The House of Commons
Thursday 15 September 2016

The House met at half-past Nine o’clock

PRAYERS

[Mr Speaker in the Chair]

Mr Speaker: On the front page of today’s Order Paper, it is noted:

On 15 September 1916, Lieutenant-Colonel The Honourable Guy Victor Baring, 1st Battalion The Coldstream Guards, Member for Winchester, was killed in action during the Battle of the Somme, France.

On 15 September 1916, Lieutenant-Colonel Charles William Reginald Duncombe, Viscount Helmsley, 21st Battalion King’s Royal Rifle Corps (Yeoman Rifles), Member for Thirsk and Malton from 1906 to 1915, was killed in action at Courcelette during the Battle of the Somme, France.

On 25 September 1916, Lieutenant Gerald Archibald Arbuthnot, 1st Battalion The Grenadier Guards, Member for Burnley in 1910, was killed in action during the Battle of the Somme, France.

We remember them today.

BUSINESS BEFORE QUESTIONS

NEW WRIT

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the Borough constituency of Batley and Spen in the room of Helen Joanne Cox, deceased.—(Dame Rosie Winterton.)

NEW WRIT

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the County constituency of Witney in the room of the right honourable David William Donald Cameron, who since his election for the said County constituency has been appointed to the Office of Steward and Bailiff of Her Majesty’s Manor of Northstead in the County of York.—(Gavin Williamson.)

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Transport Infrastructure and Economic Growth

1. Victoria Atkins (Louth and Horncastle) (Con): What assessment he has made of the effect of investment in transport infrastructure on economic growth.

[906355]

The Minister of State, Department for Transport (Mr John Hayes): An assessment of the impact on the economy is a routine part of transport investment decisions. The Department uses an internationally respected analytical framework for assessing schemes, which includes the impact on jobs, growth and regeneration.

Victoria Atkins: May I welcome the Minister to his place and say how pleased I am that the Department will have the benefit of the experience and wisdom of my Lincolnshire colleague? I say that not just because I would like his help with the roads! Every day this summer, my constituents, tourists and I had to wait up to 45 minutes to pass through the traffic lights at the Bull Ring in Horncastle, where the very busy A153 crosses the even busier A158. The single carriageway road cannot cope with the volume of traffic between the city of Lincoln, the market town of Louth and the east coast. Will my right hon. Friend meet me and local councillors to discuss what can be done to get rid of these bottlenecks to help local residents and businesses and to encourage even more tourism at the wonderful Lincolnshire coast?

Mr Hayes: My hon. Friend is a doughty and articulate campaigner for her constituents’ interests. She will know that all counties of our great country are dear to my heart, but none more so than my own county of Lincolnshire. I am familiar with this part of the county and I understand the pressures on the roads there. I would be more than happy to meet my hon. Friend and local councillors to discuss the situation. Indeed, I want to go further, because that alone is just not good enough. I want to hold a round-table meeting with all concerned parties in my Department and to ask my officials to look specifically at what my hon. Friend has said. If I may say so, her complimentary words were most welcome. She could have added, for future reference, dexterity, determination and, in the light of recent events, durability!

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Will the Minister give a firm commitment to ensure that High Speed 2 goes ahead with a clear timetable, and will he accelerate work on trans-Pennine links from Liverpool to Hull so that the United Kingdom’s economy can be supported and its rebalancing can be assisted throughout the UK?

Mr Hayes: At a meeting earlier this week, the hon. Lady and I discussed a range of issues in the light of a report from the Institute for Public Policy Research, including the significance of the trans-Pennine connection. It is important for us to see all our transport needs in terms of not just north-south but east-west links. I know that that will be recognised by many Members who represent constituencies in the east of England, as I do, and in the west of England, as the hon. Lady does. I am more than happy to look at all the options to which the hon. Lady has referred. As she will know, we are considering a range of ways of making those links real. In her role as Select Committee Chairman, she will want to test me further when she, no doubt, calls me to appear before her.

Sir Alan Haselhurst (Saffron Walden) (Con): Will my right hon. Friend have particular regard to the reports from the Great Eastern and West Anglian taskforces,
chaired by two of his colleagues, about the contribution that they can make to the future prosperity of the Anglian region, so that there can be a reliable rail structure on which the splendid new trains that are to come can run more efficiently?

Mr Hayes: As you know, Mr Speaker, I have a deep regard for the past, and my relatively recent past reminds me that the right hon. Gentleman tested me on these matters at the time of my last incarnation in the Department for Transport, when he advanced similar arguments about the importance of the links to which he has referred today. I look forward to receiving and studying that report, and when I do so, I shall be more than happy to have further discussions with him on its contents, but no one could argue that he has not made his case powerfully and repeatedly.

Mr Speaker: I hope that the right hon. Member for Saffron Walden (Sir Alan Haselhurst) realises how lucky he is to have the prospect of further conversations with the Minister of State. Not all of us are in that category.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Infrastructure is vital to economic growth, which is why it is so unfortunate that the Highways Agency has, without consultation, announced the closure of the A34 at Talke junction. That stretch of road is the main access route to Freeport shopping centre. The works are much needed, but they are due to start next week and continue until 23 December, which will affect Christmas shopping at the centre. Will the Minister endeavour to work with me and with the Highways Agency, so that it can see the error of its ways?

Mr Hayes: With your indulgence, Mr Speaker, I shall make a general point and then a specific one. The general point is this. On my first day in this job, I met representatives of Highways England, as it is now called, and made it very clear that one of the things they had to do better was give proper notice of their plans, communicate with all interested parties—including Members of Parliament—and be very precise about the time that decisions and their implications would take. Obviously, the case in point is apposite.

As for the specific point, I was not aware of the situation that the hon. Lady has described, but this is what I am going to do. I will meet representatives of Highways England today, I will raise that particular issue, and by tomorrow I will speak to the hon. Lady about it.

Mr Edward Vaizey (Wantage) (Con): My right hon. Friend is dexterous, determined and durable, as well as being extremely distinguished. The A34 is one of the most important roads for our economy, taking freight from the south coast to the Midlands, but it is becoming increasingly dangerous: two recent crashes caused fatalities. Now that I have recorded that he is dexterous, determined and durable, will my right hon. Friend hold a round table with me and other Oxfordshire Members to discuss how to improve safety and the free running of the A34?

Mr Hayes: My table grows ever more round. I am none the worse for it, by the way.

I am familiar with that road. As my right hon. Friend will know, a number of suggestions have been made for the improvement of the scheme. There are always demands relating to different roads, and different ideas about how those demands should be met. We study these matters carefully, and part of that process involves the kind of consultation that my right hon. Friend has recommended. I am always delighted to speak to him about any matter that he raises in the House, including the one that he has raised today.

Graham Jones (Hyndburn) (Lab): The Government talk about rebalancing the economy, and it is interesting that the Minister just talked about improving east-west links in the north, but may I make one suggestion that I hope he will take forward? Can we extend the M65 all the way to Scotch Corner? That needs to be done. Millions of people in the north-east need to be connected directly to millions of people in the north-west and the Manchester region. That vital east-west infrastructure link would rebalance that economy.

Mr Hayes: The hon. Gentleman is known for making the case for links that would further boost his local economy. There have been scurrilous suggestions that the northern powerhouse has in some way faltered. Let me tell the House that the northern powerhouse is not only alive and well, but will thrive under this Government. That will include the kind of infrastructure investment necessary not only to provide transport links, but to boost economic growth, build skills and spread opportunity. That is the kind of Government we are: a Government with big ideas who put them into action for the benefit of our people.

Midland Main Line (Electrification)

2. Lilian Greenwood (Nottingham South) (Lab): What recent progress has been made on the plan to electrify the midland main line.

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): Following the un-pausing of electrification, Network Rail has re-mobilised its team and is working towards a final design for the enhancement programme, as set out in the Hendy review last year. Work to increase capacity on the route has already started.

Lilian Greenwood: The east midlands has had the lowest level of rail spending per head in every one of the past six years. We have discovered that the pausing and un-pausing of the electrification of the midland main line wasted almost £40 million and cost countless jobs in the supply chain, and now there are rumours that it could be cancelled or deferred again. Will the Minister take this opportunity to confirm that the line will be electrified all the way to Nottingham and Sheffield by 2023, and will he commit to real action to ensure that there are no further delays or broken promises?

Paul Maynard: I congratulate the hon. Lady on assiduously carrying out her former brief—who knows when she might return to the Front Bench to continue in that role? She makes an important point about the importance of the line to the east Midlands. In my view, the supply chain in the east Midlands does not just depend on this one project; the investment in Bombardier’s
660 trains for East Anglia is just one way of safeguarding that particular supply chain. On her wider point about the work on that line, it is worth bearing it in mind that we have already completed 10 km of new line in that stretch; nearly 9 km of existing line has been improved; over 3,000 new piles have been put into place; and there is 10 km of new earthworks, strengthening of key bridges, and new viaducts, particularly at Harpers Brook. Work on this line is ongoing and we are looking to improve capacity through the franchising arrangements.

Fiona Bruce (Congleton) (Con): I am delighted to hear that the northern powerhouse is alive and well. Does the Minister agree that if it is to have real effect, it is important that investment is made in connectivity not just between the cities of the north, but between the towns? I thank Ministers for the initial investment in the Middlewich bypass, but will they also look at the business case for the reopening of the Middlewich railway station?

Paul Maynard: As someone born and bred in a town very close to Middlewich, I am well aware in my 40 years of the importance of the town's connectivity at the heart of Cheshire. I know that there are good plans for Middlewich's new station and look forward to working with my hon. Friend on progressing the business case.

Mr Clive Betts (Sheffield South East) (Lab): Before the pause, electrification was due to be completed by 2020, which is also the date when all trains have to comply with new disability legislation. What will the Government do between 2020 and 2023, when the old HST trains on the line, with their slam doors, will not comply with disability legislation? Will they abandon the legislation or put in temporary rolling stock?

Paul Maynard: We take accessibility issues on our railways extremely seriously. The hon. Gentleman is right to point out the commitments we have made. We are currently examining how best to increase capacity on this line, particularly at peak hours, when there is a risk of standing on some stretches. We are looking carefully at how we can deliver on that.

Nigel Mills (Amber Valley) (Con): Will the Minister ensure that the branch line that runs through Langley Mill and Alfreton stations in my constituency is added to the plans to re-energise electrification, having been unaccountably missed out of the original plans?

Paul Maynard: I am not familiar with that branch line at this stage but I shall certainly look into the matter, discuss it with my officials and write to my hon. Friend.

Mr Philip Hollobone (Kettering) (Con): With the faster line speeds that electrification will bring, will the Minister look to reinstate the half-hourly service northwards from Kettering, which was cut to an hourly service under the last Labour Government?

Paul Maynard: A number of timetabling and scheduling opportunities always come about through any reprofiling of a line and indeed any change in the rolling stock on the line. We will of course feed that into all the consultations on how best to make use of the reprofiling of that line.
Mr Hayes: Indeed. I have recently arrived back at the Department for Transport from the Home Office, where I was Minister for Security, and I can tell the hon. Gentleman that the Ministry of Defence and the Home Office take this matter very seriously. He can be absolutely sure that, across the Government, we are looking at this issue. As I said earlier, it is not just about irresponsible use; it might also be about malevolent use of the kind that he has described.

Margaret Ferrier: The new Transport Secretary, a fierce advocate of the UK exiting the EU, has already done more than enough to wreak economic havoc. Perhaps he would care to use his new position to mitigate some of that damage by putting an end to this third runway debacle. If not, will he apologise to businesses and commuters in Scotland for putting their economic interests on the line?

Chris Grayling: First, I would simply remind the hon. Lady that some of the things that were said about our economy have not proved to be the case, and that under this Government our economy continues to do well. I would also say to her that this Government retain, and will always retain, a commitment to the economy and the people of Scotland, as part of one United Kingdom. The decision that we seek to take on runway capacity in the south-east, whatever it may be, will be designed to benefit the whole of the United Kingdom by improving our connectivity to the world.

Dr Huq: When the previous Prime Minister was reminded of his words “no ifs, no buts” that there would be no third runway at Heathrow, he said that a decision would be made this summer. The current Government position is that the decision will be announced shortly. I regard this as an important decision for our nation, and it is one that we need to get on with. We have of course seen a significant change in the Administration across the summer, and it is right and proper that the Prime Minister and I should be sufficiently prepared to make the decision. We will make sure that that is the case.

Sir Simon Burns: Does my right hon. Friend agree that, if we want to keep London as the hub airport for western Europe, it is crucial that we deal with the capacity problems that currently affect Heathrow in particular? This saga has been going on for so long, and I want him to ensure that we have no further delays in reaching a conclusion on the Davies recommendations. May I also tell him that there is only one obvious answer, and that it is Heathrow?

Chris Grayling: As you know, Mr Speaker, there are differing opinions on this across the House, and it is right and proper that the Government should look in a dispassionate way at all three options recommended to us by the Davies commission, assess the strengths and weaknesses of what is being offered and take the right decision in the interests of our nation. I assure the House that that is what we will do.

Sir Roger Gale: As Britain leaves the European Union, we are going to have to develop more markets in Asia and the far east. That will mean more passenger traffic and, in particular, more freight traffic. Is it not therefore essential for the national interest that RiverOak’s plans for a freight hub at Manston should be allowed to proceed and to be successful, and that we should preserve Manston as an airport?

Chris Grayling: I absolutely understand how strongly people in Thanet feel about the future of Manston. I know how controversial it is, and has been. I can simply say to my hon. Friend that this Government would be perfectly supportive of proposals to develop a freight hub at Manston, but I am afraid that that has to be a matter for the local community, the owners and the local authority, and I hope that they reach the right decision in the interest of the nation.
this country, such as our steelmakers. I am proud that our railways use almost entirely British steel and want British steel to be used in all our major infrastructure projects.

Dr Tania Mathias (Twickenham) (Con): Although residents would agree that there is a need for airport expansion, does the Secretary of State share the concerns of the three quarters of a million people who live under Heathrow’s flight path about the new plan, about the change to the tunnelling of the M25 and about the lifting of a cap on the limit of aircraft movement? Does he agree with residents that Heathrow cannot be trusted not to go for a fourth runway and not to have night flights?

Chris Grayling: I am well aware of how strongly people in west London feel. I am also aware of how strongly people around Gatwick feel, albeit they are smaller in number than those around Heathrow. My hon. Friend is passionate about such issues and I can only assure her that the Government will have in mind the impact on noise and air quality and how that is dealt with as we reach a view on the Davies commission’s recommendations.

Andy McDonald (Middlesbrough) (Lab): As a veteran of almost 12 weeks in post, I congratulate the right hon. Gentleman on his appointment. He is the second Secretary of State I have had the pleasure of shadowing. I welcome him and his new Ministers to their places and look forward to many discussions about transport in the months ahead.

A decision on airport expansion in the south-east is long overdue and has been made only more urgent by the vote to leave the European Union and the consequent need to demonstrate that the UK is open for business. Already twice delayed to avoid party political bickering inside the Tory party, there are now rumours that Ministers will be given a free vote. This is neither a constitutional issue nor a matter of conscience; it is a nationally critical infrastructure project. Will the Secretary of State tell the House the exact date on which he will confirm that the decision, whatever it is, will have the backing of the full Cabinet?

Chris Grayling: I am grateful for the hon. Gentleman’s words of welcome. He is underemployed in comparison with my previous shadow, who held two shadow Cabinet roles, so perhaps there will also be an opportunity for him to have additional responsibilities. I look forward to sparring across the Dispatch Box with somebody so much more experienced than I am in this role.

The decision is important for our nation’s strategic interests. I am new to this job, as the hon. Gentleman points out, and the Prime Minister is new to hers, so we want to ensure that we have done the necessary work and are properly informed before we take a decision. I did a lot over the summer to ensure that that was the case, including visiting the sites of all three proposals. I have carefully considered the issues and the Prime Minister is doing the same. We will reach a view shortly and will bring it to the House. It is right and proper that everyone in the House will be able to have a say in this important matter.

**Airport Expansion: EU Referendum**

5. Mrs Cheryl Gillan (Chesham and Amersham) (Con): What assessment he has made of the effect of the result of the EU referendum on the timetable for a decision on Heathrow expansion.

8. Stephen Kinnock (Aberavon) (Lab): What assessment he has made of the effect of the result of the EU referendum on the timetable for a decision on Heathrow expansion.

The Secretary of State for Transport (Chris Grayling): The Prime Minister will begin the negotiation for Britain’s future relationship with the EU and will also take the decision about when to trigger article 50 and start the formal process of leaving the EU. As I said a moment ago, as we move into the new world beyond our membership of the European Union, it is important that we are an outward-facing nation with strong business ties around the world. The decision on runway capacity is an important part of that, and it is important that we get it right. We will take that decision and move ahead with our plans, ensuring that we have the right links for the future.

Mrs Gillan: I am sure that the Secretary of State shares my enthusiasm about the referendum result giving us vast opportunities to forge new links around the world. The Airports Commission estimated that the economic benefit of expanding Heathrow would be up to £23.6 billion for the south-east, as opposed to £12.4 billion if Gatwick is expanded. Expansion at Heathrow would greatly benefit Buckinghamshire. Will my right hon. Friend think about putting a date on this and letting us know when he will make a decision? Will he commit to an integrated transport strategy that benefits the people of Bucks—unlike HS2?

Chris Grayling: I will not give an exact date today, but I assure the House that we intend to take the decision soon. It is important that we move ahead with these plans. I hear what my right hon. Friend says about Heathrow. I have seen three effective, well-crafted proposals for the Government and this House to consider. We will reach a view shortly about what recommendation we will seek to make.

Stephen Kinnock: The Prime Minister has claimed that she wishes to govern in the interests of the whole country. The expansion of Heathrow would deliver more than 8,000 jobs for Wales and contribute more than £6 billion to the growth of our economy. Does the Secretary of State agree that the expansion of Heathrow is the only right answer for the economy of Wales?

Chris Grayling: I hear what the hon. Gentleman says, and he clearly has a strong view on this matter. As he will have seen, strong views are held on both sides of the House and on all three sides of this argument. I note what he says about the importance of proper air links for Wales. This Government will always focus on the best way we have at our disposal to help Wales, but we have to take a decision about the interests of our collective United Kingdom and which option is better, and that is the decision we will take.
Steve Double (St Austell and Newquay) (Con): Does my right hon. Friend agree that, now that the British people have decided to leave the EU and free our country from the interference and over-regulation it brought, the Government have new opportunities to support regional connectivity? Will he look closely at the opportunities that a decision on Heathrow would bring?

Chris Grayling: It is worth saying that whatever decision we take about airport expansion, it is important that we have in mind the need to make sure that we have good connectivity around the U.K., and I assure my hon. Friend that that will be a priority in our considerations.

Ruth Cadbury (Brentford and Isleworth) (Lab): Will the Secretary of State reassure me that he will not be diverted by claims about the difference Brexit makes to airport expansion and will address the costs to the taxpayer of road and rail infrastructure that would be required for a third runway? Will he also look at the comparative costs for other alternatives, such as Gatwick?

Chris Grayling: It is clearly important that we take our decision in the interests of the nation and that we foster ties around the world and within Europe. We are not leaving Europe; we are leaving the European Union. We want to retain good, strong economic ties with our neighbours in Europe. It is important that we take the right decision for the whole of our nation, and that is what we will do.

Tolls: Roads and Bridges

6. Maria Eagle (Garston and Halewood) (Lab): What his policy is on tolls for roads and bridges. [906360]

The Minister of State, Department for Transport (Mr John Hayes): Successive Governments have taken the view that tolling is justified on certain infrastructure, such as significant river crossings.

Maria Eagle: I thank the Minister for the reply. Before the general election, the former Chancellor promised motorists in Cheshire West, Warrington and Chester discounts on the tolls that are to be introduced in 2017 on the new Mersey Gateway bridge and the old Silver Jubilee bridge. I have no objection to the Government’s paying for discounts for motorists, but my constituents in Liverpool and in Knowsley live closer to those bridges and rely on them just as much as people who live in Chester and Warrington. So will the Minister have a word with the new Chancellor and ask him to provide some money to pay for those discounts to be extended to my constituents?

Mr Hayes: I did say at the outset that successive Governments have taken the view that tolling is justified on major infrastructure schemes. My hon. Friend knows that those matters are, as I said earlier, also being considered in the round. No decisions have been made to the effect that he describes.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The M4 is the main supply route into the Welsh economy and hence there is cross-party support in the National Assembly for devolving ownership of the Severn bridges once they return to public ownership. Will the right hon. Gentleman update the House on what discussions he has had with the Welsh Government on this issue?

Mr Hayes: I am always happy to have discussions with the Welsh Government, and I have done so in a variety of ministerial roles. My view is very clear, and I think that we have been plain about the toll on that important crossing. It is this Government who, when the current regime comes to its conclusion in 2018, will halve the toll. The hon. Gentleman must welcome that, as he knows how good it will be for his constituents, so I hope that after today’s questions he will put out a press release, congratulating the Government on their decision.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): On behalf of the Scottish National party, may I welcome the Secretary of State and his new Ministers to their places?

Was the Minister aware that the very first act of the SNP Scottish Government was to introduce the Abolition of Bridge Tolls (Scotland) Act 2008, which means that, in Scotland, there is no need for discounts? Tolls are gone, saving commuters around Scotland hundreds of pounds a year and boosting tourism and the economy. Has he studied that model for his own use?

Mr Hayes: I will give a mercifully short answer: Scottish independence would mean that the SNP Government could not afford that anymore.

Drew Hendry: Of course, there will be no tolls either on the new £3 billion dual carriageway of the A9. On the subject of the A9, will the Minister congratulate the Scottish Government on the safety cameras on the non-dualled section between Perth and Inverness, which was unbelievably opposed by one of the Minister’s former colleagues, Sir Daniel Alexander? Those cameras have seen speeding drop from 43% to 10% since 2012, thereby reducing death and injuries. Will the Minister consider that matter?

Mr Hayes: Of course we always give consideration to those kind of matters and it is important that we give credit where credit is due. When I have worked out, following the hon. Gentleman’s rather long question, whether credit is due, I will decide whether or not to give it.

Taxis and Private Hire Vehicles

9. Jo Stevens (Cardiff Central) (Lab): What recent assessment he has made of the adequacy of existing legislation for the taxi and private hire vehicle industries.
15. Louise Haigh (Sheffield, Heeley) (Lab): What assessment he has made of the effectiveness of the provisions of the Deregulation Act 2015 relating to taxi licensing on the ability of licensing authorities to regulate the taxi trade. [906371]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Local councils have the powers to provide effective licensing arrangements in their area, but legislation is in the House to strengthen the current framework. We will consult on new statutory guidance for local licensing authorities once the parliamentary process is complete.

Jo Stevens: I thank the Minister for his reply. Internet and smartphone use has revolutionised private hire vehicle services. Does he believe that current legislation, which is now several decades old, is adequately regulating this technology?

Andrew Jones: The legislation that governs this sector goes back many, many more decades, to the age of the horse and carriage. That is why the Government asked the Law Commission to take a comprehensive review of taxi and private hire regulation in England and Wales. Obviously, it is a devolved matter in Scotland and Northern Ireland. We will be responding to the Law Commission’s report in due course.

Louise Haigh (Sheffield, Heeley) (Lab): What assessment have the operators of the proposed Crossrail network made of the connectivity benefits of Crossrail in London? Does the Secretary of State know that Cambridge is full of people who think that prisoners should read books and that Britain should be in the European Union. I suggest that he brings a very hard hat with him when he comes.

Andrew Jones: I will be happy to meet the hon. Lady. I just point out that whatever licensing area a company is operating in, it has to ensure that a fit and proper person test is carried out, but I will be very happy to meet her.

Daniel Zeichner (Cambridge) (Lab): May I also welcome the Secretary of State. He knows my city of Cambridge very well. We look forward to him coming to open the new railway station, which is long overdue. He also knows that Cambridge is full of people who think that prisoners should read books and that Britain should be in the European Union. I suggest that he brings a very hard hat with him when he comes.

We heard in an Adjournment debate raised by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) about the problems in the taxi trade and the procrastination and inaction over two years since the Law Commission report. Some months ago, the Minister told us that he was about to act, and yet in a written question to me a few days ago, he said that the Government have no plans to bring forward legislation in the current Session. How much longer will we have to wait?

Andrew Jones: That is a complex matter and we are working on it and through it, but we are already taking action on the key issue of child sexual exploitation in the taxi and private car sector by putting the guidance on to a statutory basis. We hope to be consulting on that as soon as the Policing and Crime Bill has reached Royal Assent.

Daniel Zeichner: What a striking contrast with the new Mayor of London, who has done more in a few weeks than his predecessor did in eight years, and more than that lot have done in six years. Does the Minister recognise the problem with cross-border licensing? As we have heard, there are councils in this country handing out licences like confetti. These vehicles are clogging up the streets of London and adding to congestion. How much longer will we have to wait until he takes the problem seriously?

Andrew Jones: The Government are clearly taking the issue seriously. I am aware of the actions taken by the new Mayor of London, but it is worth making sure that one gets those actions right; I understand that one of the operators has already won the right to a judicial review.

Several hon. Members rose—

Mr Speaker: Order. We started late because of the preliminary announcements, so we can run on slightly, but we must have much shorter questions from now on. To be honest, questions today have been simply far too long.

Crossrail

10. Bob Blackman (Harrow East) (Con): What plans he has for expansion of the proposed Crossrail network. [906365]

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): There are no current plans to extend the Crossrail route. Any proposed extension would require a strong business case, and would need to be in the best interests of rail passengers.

Bob Blackman: Crossrail is on budget and on time, and will dramatically reduce journey times across London. The one area of the capital that does not benefit from it is north-west London, and Harrow and Wealdstone in particular. Will my hon. Friend look at the business case for expanding the network so that all Londoners can benefit from Crossrail?

Paul Maynard: My hon. Friend is right to point out the connectivity benefits of Crossrail. I know that it has looked at the possibility of an extension through Harrow and Wealdstone, which he has been campaigning for, and into Hertfordshire, to join the west coast main line there. That was found by Crossrail, Transport for London and Network Rail to offer poor value for money, so we are not taking it forward at this time, but of course we always keep the issue under review.

Heidi Alexander (Lewisham East) (Lab): As much as I would like my constituents to benefit from an expanded Crossrail network, geography makes that unlikely, so can the Minister with responsibility for rail tell me his assessment of Southeastern’s submission for additional rolling stock?

Paul Maynard: We always want to make sure that commuters in London, which is one of the most burdened parts of the network, have the best possible chance of having a reliable, predictable, punctual service, with a
good chance of getting a seat. That is why we, contrary to what happened in the 13 years of Labour Government, are investing so many billions of pounds in new carriages across London and the south-east.

**High Speed 2**

11. Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): What assessment he has made of the advantages and disadvantages of the proposed High Speed 2 route.

[906366]

The Secretary of State for Transport (Chris Grayling): To be absolutely clear, the Government are firmly committed to HS2, which will become the backbone of our national rail network and help us to build an economy that works for everyone. I have spent a lot of time this summer looking at the full extent of the route, so I fully understand all the issues around it.

Luciana Berger: In Liverpool, there are many concerns that we will not be properly connected to HS2, which will be challenging not only for passengers, but for transporting the freight that comes into the new super-port; that will throw into question the notion of a genuine northern powerhouse. Will the Secretary of State please confirm that the provision of a junction allowing a future line to Liverpool from the Golborne link of HS2 will be announced in the autumn statement?

Chris Grayling: I cannot pre-announce the autumn statement, but I can say this: the hon. Lady knows that I am a regular visitor to Liverpool—I was there during the summer—and I am well aware of the transport challenges around the city. I am also proud that we are spending something like £350 million today on rail improvements. We need to make sure that Liverpool is well served in future.

Martin Vickers (Cleethorpes) (Con): Does my right hon. Friend agree that the biggest disadvantage of the HS2 route is that it does not go to Cleethorpes? As he knows, we are urgently in need of a direct service to King’s Cross. Will he continue to work with me to try to deliver a direct service to Cleethorpes?

Chris Grayling: I am always delighted to work with my hon. Friend on improving the rail service and transport system in Cleethorpes. I fear that I probably will not be able to deliver on getting HS2 to go there.

Andy McDonald (Middlesbrough) (Lab): HS2 is intended to be a jewel in the crown of British infrastructure, but as was revealed in the Public Accounts Committee’s report, it is losing some of its lustre. To be at this stage and still not know how much HS2 will cost, what the route will be and when it will open is unacceptable. The Government are quite clearly losing their grip on the project. Will the Secretary of State take this opportunity to say why his Department has failed to set a workable, realistic timetable for HS2 Ltd, and will he give a guarantee to deliver an entire high-speed railway?

Chris Grayling: I do not want to start my relationship with the hon. Gentleman on a bad note, but I have to say that that is a lot of nonsense. We have a proposal for an innovative railway line that is completing its journey as a hybrid Bill through the Lords, and we will start work next year. We aim to deliver the first stage, as planned, in the middle of the next decade, and later this autumn, we will set out the remaining route in detail. I am proud to do that for this important project for our nation.

**Driving Licence Withdrawals**

12. Sir Desmond Swayne (New Forest West) (Con): Whether he is taking steps to expedite the processing of requests to return driving licences which were withdrawn for medical reasons.

[906367]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The Driver and Vehicle Licensing Agency deals with around 600,000 medical cases each year. The vast majority of cases, 90%, are dealt with quickly and efficiently, but the other 10% are complex, often requiring consultation with several medical professionals. As each case is taken on its merits, that can take time, but we are aware of the importance of the issue. The DVLA has taken on more than 100 extra staff and additional medical advisers to handle cases.

Sir Desmond Swayne: If someone is cleared of their medical condition, it is very frustrating to have to wait a long time for the processing to be completed, so I am grateful for whatever the Minister can do.

Andrew Jones: I am acutely aware of how important this is for people. If some people lose their licence, they may also be losing their means to continue their careers. The DVLA is working on the matter by bringing in extra personnel and so far it has been successful: the average processing time last year was 53 days, and so far this year it is 38 days and we are working to reduce that even further.

Mr Speaker: The Minister felt a compelling need to read out part B of the brief, but we are grateful and we are better informed.

**Rail Services: Overcrowding**

13. Diana Johnson (Kingston upon Hull North) (Lab): What steps he is taking to reduce overcrowding on passenger rail services.

[906369]

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): This Government are making the biggest investment in our railways since the Victorian era, enabling more trains and longer trains to operate on many of our busiest routes. More than 562 new carriages are planned to enter service by the end of 2020.1

Diana Johnson: The Minister is right that investment is the key to tackling overcrowding, so why has his Department waited two years before even making a decision on the private finance available to electrify the line to Hull?

Paul Maynard: In the interests of brevity, I will not have a theological debate with the hon. Lady about whether that is privately or publicly financed, but it is publicly financed. I recognise that she has been a dedicated campaigner for improved services to Hull. Connectivity to Hull is very important and I look forward to giving her good news as soon as we can.

Amanda Milling (Cannock Chase) (Con): Electrification of the Chase line will help to address overcrowding. However, I am aware that there may be delays in getting electric trains on the line. Will my hon. Friend review the position and do everything in his power to ensure that we get electric trains as soon as possible?

Paul Maynard: We had a very productive meeting with my hon. Friend last week. She is a doughty campaigner on behalf of that line and I will continue to press for further advances on the issue, as she asks.

Andy McDonald (Middlesbrough) (Lab): The service on Southern is officially the worst in the country, and passengers have endured appalling overcrowding for far too long. Removing hundreds of services a day has served only to exacerbate overcrowding on the services that survive. When will the Secretary of State bring to an end the misery of long-suffering passengers and intervene, or does he agree with the former Rail Minister, who effectively said that there are no circumstances that would warrant Govia Thameslink Railway being stripped of this franchise?

Paul Maynard: I am sure the hon. Gentleman will welcome the fact that more than two thirds of the services that were taken out of the timetable have now been put back in again. Our focus is on restoring normality to the service and putting the interests of passengers first. The service is improving on a regular basis, with more services returning to the full timetable, and I will focus on that to make sure that we get back to the full timetable.1

Topical Questions

T1. [906379] Mr Philip Hollobone (Kettering) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Chris Grayling): First, I thank the Scottish National party and others for their kind words of welcome to me and the new team. It is great to be back in the transport brief after a decade. I am very proud that my first actions as Secretary of State were to give the go-ahead for the expansion of London City airport and to visit the Bombardier factory in Derby to announce a £1 billion new train order for a service that is essential to this country. I am grateful to all the people throughout our transport network who are making it a success across most of the country.

Mr Hollobone: As they do not know, will the Government count the mileage of residential roads that remain unadopted by local highways authorities, including a large and growing number in Kettering, and ensure that no residential road remains unadopted after 10 years?

Chris Grayling: That is an issue that I have experienced in my own constituency. It is not acceptable. I will happily meet my hon. Friend to talk about the situation in Kettering and how we address it.

Daniel Zeichner (Cambridge) (Lab): The Minister will be aware of the calls in national newspapers today, including the Daily Mirror, for action on the increasing number of drivers who put other people’s lives at risk by using mobile phones while driving. In the past couple of years the RAC has found that more people think that is okay. That has happened on this Government’s watch. Will he work with us, the Mirror and others to clamp down on this dangerous practice?

Chris Grayling: Let us be clear. Labour was in power for 13 years and did not tackle the issue. I am very clear that this is an unacceptable practice, and we intend to unveil tough action on it shortly.

T2. [906380] Maria Caulfield (Lewes) (Con): Do Ministers agree that the Brighton main line 2 rail line, which will reopen the Lewes to Uckfield line and has a feasibility study ongoing at the moment, is the only realistic long-term solution that will increase rail capacity to the Sussex coast?

Chris Grayling: I am very interested in this as a proposal, and it is being looked at very carefully. What I would say to my hon. Friend, to every Member on the Southern route and to all the passengers on the Southern route is that I recognise that the issues over the last few months have been unacceptable. I am working hard with all those involved, and I have unveiled a number of changes in recent weeks, which I believe will help to get this situation resolved as quickly as possible. It has not been acceptable; it has to be dealt with, and we are working as hard as we can to ensure that it is.

T3. [906381] Louise Haigh (Sheffield, Heeley) (Lab): Clause 21 of the Bus Services Bill bans local authorities from forming their own bus companies. This policy went unmentioned in bus reform workshop documents and in any prior announcements. Will the Minister explain how this clause can possibly be reconciled with the Government’s so-called devolution revolution?

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): It is simply because the Government are giving more powers to local authorities to franchise services, and we were anxious that the powers to commission and provide were separated.

T4. [906382] Michael Fabricant (Lichfield) (Con): Two out of three platforms at Lichfield Trent Valley railway station, which is on the west coast main line, are completely inaccessible to disabled people. First there was a plan to make them accessible; then we were told it was delayed. People in Lichfield—and, in particular, the Member of Parliament for Lichfield—are getting rather irritated about this. What is happening?

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): Like me, my hon. Friend is a passionate advocate of improved accessibility on our rail network. As he will know, some of the Access for All funding was re-prioritised under the Hendy recommendations. I am hoping to announce very shortly which stations will be prioritised again. I stop in Lichfield Trent Valley often myself—largely in the dark. I must confess—and I am sure there is a great need for improved accessibility there. I look forward to meeting my hon. Friend to further discuss that.

Mr Speaker: I call Stephen Kinnock. What has happened? The hon. Gentleman has bunted off.

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Liz McInnes (Heywood and Middleton) (Lab): Rail passengers in the north, including on the Calder Valley line, which serves my constituency, are frequently packed on to ageing trains, including Pacers. It is encouraging to see that Arriva Rail North has signed a deal to deliver hundreds of new carriages from October 2018, but what assurances can the Minister give my constituents that Eversholt’s financing of new rolling stock will not lead to delays, sharp fare increases or de-staffing?

Paul Maynard: As a fellow north-west MP, I am sure the hon. Lady shares my interest in seeing the back of our inefficient and unpleasant Pacers, and she will welcome the fact they will be disappearing by December 2019. I hope she will also welcome the improvement on the Calder Valley line, which will occur in two phases: Calder Valley East in December 2018 and Calder Valley West completing this year—a full upgrade to signalling and speed on the line.

Chris Grayling: As the hon. Lady knows, there is a substantial compensation scheme in place for those affected by HS2. HS2 will bring greater prosperity across the United Kingdom. I hope that she and her party would recognise that and support it, notwithstanding local challenges.

Zac Goldsmith (Richmond Park) (Con): It is likely that in a few weeks’ time this House will be asked to decide if it wants a new runway at Heathrow or Gatwick. One of the core considerations will be deliverability of those schemes. All the evidence suggests that even if the Government give a green light to Heathrow, it cannot happen. To that end, will my right hon. Friend commit to providing this House, before any vote, with a clear risk assessment looking at environmental risk, planning risk, legal risk and financial risk so that it can take a properly informed decision on the deliverability of those schemes?

Jess Morden: A constituent of mine has raised concerns about the number of road accidents involving young people. The most recent research from Swansea University supports his case that young drivers aged between 17 and 21 are five times more likely to crash than drivers over 70. With this in mind, will the Minister agree to look at policies such as a graduated driver licensing scheme?

Andrew Jones: We want to strike the right balance between safety and freedom for young drivers, many of whom rely on their cars to get to work or to college. We are focusing on efforts to encourage learner drivers to be better prepared for the wonderful freedom that a licence provides, through the reform package on changes to the driving test. The consultation on that closed only a few days ago. I hope that the hon. Lady participated in it.

Alec Shelbrooke (Elmet and Rothwell) (Con): Can the Minister agree to look at policies such as a graduated driver licensing scheme?
Severn tunnel is closed for electrification work? Are the Government on top of this, given that we have not yet had a date for the public consultation?

The Minister of State, Department for Transport (Mr John Hayes): It is right that we should have that confidence. I am more than happy to commit to doing the work necessary to reassure the hon. Lady about that. It needs to be safe, it needs to be secure, and it needs to be right which is why I am more than happy to make that commitment.

Mr Speaker: I call Parliament’s grassroots sports champion of the year, Mr Tom Pursglove.

Tom Pursglove (Corby) (Con): Thank you, Mr Speaker. People in Corby would like to see a greater number of rail services, both northbound and southbound. Will Ministers commit to factoring that into any future discussions that they have on this?

Paul Maynard: I am always happy to take suggestions from all parts of the House as to how we can improve rail services across the country. I look forward to hearing more from my hon. Friend about what he perceives in Corby.

Mark Durkan (Foyle) (SDLP): Given his earlier line on regional connectivity, will the Secretary of State ensure that the aviation Minister and officials give positive and prompt consideration to the submission by City of Derry airport for at least PSO—public service obligation—support for a twice daily service to London?

Chris Grayling: Yes. This is on my desk right now and I recognise its importance. I am very pleased that over the summer the link to north America was kept in place. Good connectivity in Northern Ireland is, remains, and always will be very important.

Robert Neill (Bromley and Chislehurst) (Con): On 16 July I wrote to the rail Minister requesting a meeting to discuss the daily failings that my constituents have at the hands of Southeastern Trains and Network Rail. Will he say yes to that meeting today?

Paul Maynard: Yes.

Mr John Spellar (Warley) (Lab): As we are seeing a bonfire of the vanity projects associated with the former Chancellor and Prime Minister, would it not be sensible not to be seduced by “grands projets” and to add to that list, heeding the sage advice of Rod Eddington in his 2006 study, binning HS2 and focusing on local capacity to benefit, much sooner, passengers and regions?

Chris Grayling: The trick is to do both. I can assure the right hon. Gentleman that he, as a Birmingham Member of Parliament, is absolutely not speaking the same language as his city council and many of those involved in the business community in Birmingham, who are looking forward to the improvements that HS2 will bring to that city.

Antoinette Sandbach (Eddisbury) (Con): Will my right hon. Friend commit that if there are any further delays in phase 2b of HS2, which affects my constituency, compensation will be given to my residents whose properties are blighted?

Chris Grayling: I will happily talk to my hon. Friend about that, but it is not my desire that we delay announcing routes any further. As I have said, I intend to set out our plans later this autumn.

Stewart Malcolm McDonald (Glasgow South) (SNP): What discussions is the Minister having with Vauxhall concerning its Zafira models that have been catching fire—over 300 of them in the UK alone—and will he agree to meet me and affected drivers later in the year?

Andrew Jones: The Driver and Vehicle Standards Agency is leading on this issue, on which it has met, corresponded with and continues to liaise with Vauxhall. There have been two safety recalls. I am very happy to meet the hon. Gentleman, but significant progress is being made on the issue.

Mims Davies (Eastleigh) (Con): Missing for 25 years, the Chickenhall Lane link road is a vital piece of infrastructure for my constituency. It is backed by the Solent local enterprise partnership and the local council, and it was in July’s Budget book. Will the Minister meet me at a rectangular, round or square table to discussing bringing it forward?

Andrew Jones: Yes.

Clive Efford (Eltham) (Lab): Will the Minister agree to invite all Members whose constituencies are served by Southeastern trains to the meeting with the hon. Member for Bromley and Chislehurst (Robert Neill)? Our constituents are suffering daily disruption to their lives, as a result of the poor performance of Network Rail and Southeastern, and we would welcome a meeting with him to bring that to his attention.

Paul Maynard: I very much recognise that there are issues involving Southeastern. I am happy to meet Members from all parts of the House.

Sir Alan Haselhurst (Saffron Walden) (Con): As the Government have committed to the development of Crossrail 2, will my hon. Friend give equal support to the construction of four-tracking on the West Anglia line, which is an integral part of it?

Paul Maynard: If that is a key part of my right hon. Friend’s forthcoming report, I look forward to reading all about it and discussing it with him.

Christian Matheson (City of Chester) (Lab): My constituents who work at Liverpool airport face paying an extra £1,000 a year in tolls when the new Mersey crossing is opened. Will Ministers try to find some mechanism for existing employees so that they are not hit with what is essentially a retrospective charge for going to work?

Mr John Hayes: Yes. The answer is that that sounds like a very good idea to me. I will obviously need to look at the detail, but I am very happy to do so. My open mind is well known.

Mr Speaker: I always thought, having known him for 30 years, that it was the defining characteristic of the right hon. Gentleman.
Jim Shannon (Strangford) (DUP): Insurance for young drivers has become very expensive. One method that some insurance companies have put forward is the black box system, whereby they monitor people’s driving and reduce their costs. What steps have been taken with insurance companies to ensure that young drivers can take advantage of that system?

Andrew Jones: Such a system is already built into some companies’ pricing, because people get cheaper premiums if they accept some of the benefits that technology can provide. I have met the insurance industry, and will meet it again shortly, when I will raise the hon. Gentleman’s concerns.

Mr Ben Bradshaw (Exeter) (Lab): Further to the Secretary of State’s inadequate reply to my hon. Friend the Member for Cambridge (Daniel Zeichner) on the deadly menace of mobile phone use, may I ask him whether he heard an expert say on the radio this morning that the use of mobile phones impairs drivers’ ability more seriously than drinking? Does he accept that a £50 increase in the already paltry fine is a totally inadequate response to this deadly menace on our roads?

Chris Grayling: I am sorry if the right hon. Gentleman thought that. I will be announcing tough plans on this matter shortly, in response to sensible pressure from a wide variety of outside groups. The hon. Member for Cambridge mentioned one national newspaper group. In fact, the campaign is coming from both sides of the spectrum, because the Daily Mail is running the same campaign. Those newspapers are right to do so, and the truth is that, in my view, this requires strong action. It is happening far too often.

Hannah Bardell (Livingston) (SNP): The Secretary of State may be aware that I secured a debate earlier in the year on the establishment of an independent aviation noise authority. Given his warm words today and the concerns of my constituents about noise pollution from aircraft, will he commit to supporting the establishment of an independent aviation noise authority?

Chris Grayling: Given the impending decision on runways, I am not going to set out any plans today. All I will say is that I have taken note of what the hon. Lady has said. Noise is of course a major issue for us.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Will the Secretary of State confirm that he supports his predecessor’s welcome announcement earlier in the year allowing Transport for London to take over Southeastern services when its franchise lapses in 2018?

Chris Grayling: My policy and the Government’s policy is that devolution should happen where it will make a difference, not simply for its own sake. I need to see the Mayor’s proposals about how he thinks he can enhance services in London—I am looking forward to seeing them—before I consider any changes.

Alan Brown (Kilmarnock and Loudoun) (SNP): Given that the Secretary of State has today confirmed his commitments to Scotland and to investment in infrastructure, will he have a word with the Chancellor about reversing the 25% cut that Scotland has suffered in its capital budget to allow further investment in roads and rail in Scotland?

Chris Grayling: Scotland benefits enormously from the funding support that is provided to it as part of the United Kingdom. That will continue, unless people seek to change the situation and put Scotland in a position where it would be far worse off and far less able to invest for its future.
Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

- Finance Act 2016

Business of the House

10.40 am

Paul Flynn (Newport West) (Lab): Will the Leader of the House give us the business for the week following this unnecessarily protracted recess?

The Leader of the House of Commons (Mr David Lidington): The business for the week commencing 10 October is as follows:

**Monday 10 October**—Motion to approve the Second Report 2016-17 from the Committee of Privileges, followed by Second Reading of the Neighbourhood Planning Bill.

**Tuesday 11 October**—Second Reading of the Small Charitable Donations and Childcare Payments Bill.

**Wednesday 12 October**—Opposition day (8th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

**Thursday 13 October**—General debate on baby loss, followed by debate on a motion on the inquiry into hormone pregnancy tests. The subjects for these debates were determined by the Backbench Business Committee.

**Friday 14 October**—The House will not be sitting.

The provisional business for the week commencing 17 October will include:

**Monday 17 October**—Second Reading of the Savings (Government Contributions) Bill.

I should also like to inform the House that the business in Westminster Hall for Thursday 20 October will be:

**Thursday 20 October**—Debate on the Education Committee reports on mental health and wellbeing of looked after children and on social work reform, followed by general debate on national arthritis week 2016 as recommended by the Liaison Committee and Backbench Business Committee.

Colleagues will wish to know that, subject to the progress of business, the House will rise for the February recess at the end of business on Thursday 9 February and return on Monday 20 February.

Paul Flynn: I thank the Leader of the House for giving us the business.

May we deal with the new Select Committees and the date for the election of Chairs? Will the Leader of the House confirm that the Business, Innovation and Skills Committee will be renamed and continue with a Labour Chairman; that the new International Trade Committee will be chaired by a Member of the Scottish National party; and that the new Brexit Committee will be chaired by a Labour MP?

We join you, Mr Speaker, in sending our best wishes to the retiring Speaker’s counsel, Michael Carpenter, and in welcoming Saira Salimi, who has been appointed to the role.

Today is the International Day of Democracy. Democracy was invented in Greece two and a half thousand years ago and has come to these islands in instalments. We are the only country in the world, other than Lesotho, that still has hereditary chieftains in its
legislature. David Cameron’s final awards have been described in the Daily Mail and The Guardian—at both ends of the political spectrum—as “devalued”, “debased”, “discredited”, “egregious”, “grubby”, “tawdry”, “tainted” and “tarnished”, but otherwise okay. At the heart of our democracy is this rotten system with, as the Lord Speaker said, 200 unnecessary people prancing around in ermine down the other end of the corridor. The changes introduced by the former Prime Minister over the years involve £34 million of spending. This is a wanton waste of public money at a time when his justification for the massive disruption to elected Members was just for the massive disruption to elected Members by the boundary changes was that it would save peanuts. Will the Leader of the House add some new lustre to his parliamentary disaster or a parliamentary error, but as the years and decades go by, and as the futility of this operation continues, this will be seen not as a parliamentary disaster or a parliamentary error, but as a Tory error.

Michael Fabricant (Lichfield) (Con): I am grateful for the hon. Gentleman’s warm support on this matter, which I have enjoyed over the years.

How does today’s decision on Hinkley fit into the parliamentary timetable? It has never been properly debated here, and any new proposals have certainly not been debated here. This could be the greatest financial and technological catastrophe for 50 years. The price is a rip-off and the technology does not work. Finland was promised that nuclear power from the EPR would work by 2009, but it is still not working and no date has been offered for when it will, while Flamanville was in a mess because of a technical problem. Yet the Government are going to blunder ahead because they are going ahead because of political inertia. My Parliamentary Secretary, Michael Moore, has been advised by an expert that the only medicine that works for them, which is cannabis. Because of the prejudice-rich, cowardly, knowledge-free policies of both Governments, we have continued with a system that has criminalised seriously ill people. Now there is a clear call from distinguished and knowledgeable Members here and in the other place to end this barbarous practice whereby we criminalise people for using cannabis but allow heroin to be prescribed. Other countries throughout the world are doing this; we are not.

I also strongly recommend that the Leader of the House takes up this report I have with me, published this week by distinguished Members of all parties. For 25 years, parties of all colours have failed to respond to the appeals from the seriously ill who have suffered agonies of pain when they ask for relief that is provided by the only medicine that works for them, which is cannabis. Because of the prejudice-rich, cowardly, knowledge-free policies of both Governments, we have continued with a system that has criminalised seriously ill people. Now there is a clear call from distinguished and knowledgeable Members here and in the other place to end this barbarous practice whereby we criminalise people for using cannabis but allow heroin to be prescribed. Other countries throughout the world are doing this; there is no excuse for continuing with this practice.

Paul Flynn: I am grateful for the hon. Gentleman’s warm support on this matter, which I have enjoyed over the years.

How does today’s decision on Hinkley fit into the parliamentary timetable? It has never been properly debated here, and any new proposals have certainly not been debated here. This could be the greatest financial and technological catastrophe for 50 years. The price is a rip-off and the technology does not work. Finland was promised that nuclear power from the EPR would work by 2009, but it is still not working and no date has been offered for when it will, while Flamanville was in a mess because of a technical problem. Yet the Government are going to blunder ahead because they do not have the courage to examine the scheme again. They are going ahead because of political inertia. My party’s policy will be spelled out later by my hon. Friend the Member for Brent North (Barry Gardiner), but in the meantime we have to tell the Leader of the House that he must gain parliamentary approval, because this is going ahead without any parliamentary imprimatur at all. As the years and decades go by, and as the futility of this operation continues, this will be seen not as a parliamentary disaster or a parliamentary error, but as a Tory error.

Mr Lidington: Let me first agree with and join the hon. Gentleman in wishing a successful retirement to Speaker’s counsel, who has served this House and you in particular, Mr Speaker, with distinction over many years. I can confirm the arrangements that the hon. Gentleman mentioned with respect to the Chairs of the Select Committees.

On the hon. Gentleman’s point about the use of cannabis in medical treatment, it is of course perfectly possible for medicines derived from cannabis—medicines that include cannabinoids—to go through the normal process of medical licensing and approval. I am not attracted to the idea that, without that sort of analysis, checking and approval by the National Institute for Health and Care Excellence, we should simply agree to particular drugs being made available to patients who might be suffering from all kinds of different and sensitive conditions.

On the hon. Gentleman’s points about Hinkley, I have to say that I gained the impression that this was, for him, a therapeutic experience rather than a quest for truth. He will have the opportunity in a relatively short space of time to put questions on this subject directly to my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy, so I urge him to contain his impatience that little bit longer.

The hon. Gentleman also asked about the International Day of Democracy, which I think members of all parties would wish to celebrate today.

As the hon. Gentleman knows, my own voting record on House of Lords reform is recorded in Hansard. The fact is, however, that the House of Commons had an opportunity very recently to vote for reform, and this House—this elected House—voted down every option that was available. Whatever views one holds about the second Chamber, I do not think it right to denigrate the very hard work of scrutiny and review that is put in by members of all political parties, and Cross-Benchers, in that Chamber in order to play their part in the legislative process.

I find it a bit rum that the hon. Gentleman should denounce the House of Lords in such florid terms when so many of his former right hon. and hon. Friends have been in a rush to go and serve there. Only earlier this week, a new life peer, sent there by the Leader of the Opposition, took her seat. I think that the hon. Gentleman needs to have some words with his own leader about his views.

Several hon. Members rose—

Mr Speaker: Order. As colleagues know, ordinarily it is my practice to call everyone in this set of exchanges, and I should like to do so again today, but I am very conscious that there are two statements to follow, and then two debates under the auspices of the Backbench Business Committee, of which the first is notably well subscribed. There is, therefore, a premium on brevity, which I know will be exemplified by Sir Edward Leigh.

Sir Edward Leigh (Gainsborough) (Con): The Leader of the House has on his desk a report on the full decant of Parliament. Will he take his time over bringing the decision back to the House, and ensure that a full consultation takes place? Given that 1 million people visit this place every year, including 100,000 children, the issue is extraordinarily serious, and many of us are deeply concerned about the evacuation of an historic Palace for five or more years. Many of us think that we should get on with the work now, abolish the September sittings, and start repairing the building in good time.
Mr Lidington: This is, of course, a report from a Joint Committee to the House as a whole. It is not just on my desk; it is on the desk of every Member of this House, because it is this House and the other place that will have to make a decision about the future of the Palace of Westminster. I hope that every Member will read the report and consider it carefully, and I hope to arrange a time for a proper debate on the subject later in the autumn.

Pete Wishart (Perth and North Perthshire) (SNP): I, too, pay tribute to Speaker’s counsel, who has been such an assiduous servant of the House for all these years. I also thank the Leader of the House for announcing the business following our return.

It is 12 weeks since the European Union referendum, and in that time there has not been a single debate in Government time on the consequences of that vote. Our constituents demand to know the Government’s intention in regard to Brexit. They want to know whether we will be members of the single market, they want to know what sort of immigration systems will be in place—for goodness’ sake, they just want to know whether visas will be required for European travel in the future. This was supposed to be about taking control, but we seem to have handed control to a bunch of clueless Brexit Tories who are determined to keep all this in a shroud of secrecy. The House should demand better than that, so when will we hear from the Leader of the House when we can have a detailed debate about our European Union Brexit plans?

As you said, Mr Speaker, two important statements will follow business questions—[Interruption.] I will take as much time as is required. I remind the right hon. Member for New Forest West (Sir Desmond Swayne) that ours is the third party in the House.

I woke this morning to hear all the details of the Hinkley Point C announcement. What happened to the convention that Secretaries of State should make important announcements to this House first, rather than having them discussed in the media? I support the shadow Leader of the House’s call for a full debate on the plans, because it is appalling that we have not debated them thus far.

The House is only just back from recess, but in about five hours’ time we will once again go into what is charmingly called the conference recess. It does indeed cover the conferences of some of the big parties in this House, but curiously not that of the Scottish National party, although we are breaking today to accommodate the Liberal Democrats, who I believe are meeting in a pub near Portsmouth, if they can find the necessary number of members. Our constituents are simply baffled and just because voluntary organisations—that is what pubs are—are meeting. I think that we should consider abandoning the conference recess, and I hope that the Leader of the House will support that.

One thing that the recess will resolve is the most vicious party civil war in history—its bitterness is matched only by its destructiveness. Perhaps the Leader of the House and I should offer to work as peacekeepers as Labour Members try to bring back their broken party once again.

Mr Lidington: On the hon. Gentleman’s last point, I fear that matters may now be pretty much beyond repair. On Hinkley Point C, my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy will be at the Dispatch Box within an hour and all Members will have the opportunity to put questions to him.

On the consequences of the EU referendum, the fact remains—my views were well known at the time—that the people of the United Kingdom voted by a relatively small but none the less decisive majority to leave the European Union. As the Prime Minister said the other day, we cannot have a running commentary on the preparation or articulation of our negotiating position. One does not, in diplomacy, business or any other walk of life, set out one’s negotiating position in detail so that those with whom one is negotiating know all the details. The hon. Gentleman and his colleagues will have the opportunity to put oral questions to the Foreign Secretary on 18 October and to the Exiting the EU Secretary on 20 October, so there will be further opportunities for debate then, just as my right hon. Friend the Secretary of State for Exiting the EU has been appearing before Select Committees of this House and the other place to answer questions on the Government’s policy.

Mr Peter Bone (Wellingborough) (Con): Very briefly, the Leader of the House did mention the Select Committee chairmanships, but he forgot to say whether those motions have been laid before the House. I understand that at the moment they have not been, so perhaps he could comment on that. My main question is about the boundary changes. When the House debated the changes, we did not know that we would be leaving the EU. With 75% of our laws made in the EU, and with the abolition of all those hard-working MEPs, why are we now reducing the number of MPs? Perhaps the Prime Minister should look at this again. May we have a statement next week?

Mr Lidington: The House took that decision when it passed the primary legislation setting out the proposed reduction in the number of MPs and the framework within which the parliamentary Boundary Commission would operate. On my hon. Friend’s other point, we intend to lay the relevant motions and changes to the Standing Orders as rapidly as possible. There are still a few technical discussions, and if we can we will hammer those out today, but it is certainly our intention that there should be no unavoidable delay before the motions are tabled.

Clive Efford (Eltham) (Lab): Greenwich clinical commissioning group has granted a £73 million contract to Circle Group plc to provide musculoskeletal services. Circle employs no clinicians who can deliver these services and so will rely on contracting existing service providers to provide NHS services. That is complete madness and it is leading to chaos in our local NHS. It is a totally unnecessary tier of bureaucracy in Circle, which will suck out its profits at the expense of patients. May we have a debate on the performance of private companies in the NHS so that we can expose the poor performance of Circle and others?

Mr Lidington: The hon. Gentleman may wish to seek an Adjournment debate on the matter. These are rightly decisions for the local NHS, and the decisions may vary
[Mr Lidington]

from area to area, but this Government, like the previous Labour Government, recognise that the NHS can sometimes usefully make use of the private and charitable sectors to deliver NHS services free to their users.

Amanda Milling (Cannock Chase) (Con): Residents in Rugeley and, depending on the wind direction, other parts of Cannock Chase are suffering from the smoke from a fire at a farm in Slitting Mill that has been burning for over a week and a half. Can we have a debate in Government time about the illegal dumping of waste and the enforcement action and the penalties applied in such situations?

Mr Lidington: I was concerned to hear about the plight of my hon. Friend’s constituents. I urge her to liaise with the Environment Agency, which has an important role in trying to sort this out. I will draw her comments to the attention of the relevant Minister at the Department for Environment, Food and Rural Affairs, so that there can be a Government response to her concerns.

Ian Mearns (Gateshead) (Lab): I thank the Leader of the House for the announcement of the business for the week beginning 10 October and for the two important debates on Thursday 13 October. One is on baby loss, infant mortality and stillbirth. The other is on the current inquiry into hormone pregnancy tests and the use of the drug Primodos, which has led to much damage among many in the population. During this morning’s exchanges, he will undoubtedly suggest to right hon. and hon. Members that they go to the Backbench Business Committee to air their issues, but we already have a significant queue of outstanding and unheard debates, so may I ask that he be particularly generous after the conference recess in allocating time to the Committee?

Mr Lidington: We shall try always to be as generous as possible to the hon. Gentleman and his Committee, within the limits that are laid down on the allocation of days. Just as I and my fellow business managers sometimes have to say no to Ministers who want to bring in legislation, so there is a question of priorities for the Committee.

Chris White (Warwick and Leamington) (Con): The New Inn in Norton Lindsey in my constituency has recently closed. Local residents, under the banner of the New Inn Salvation Squad, are campaigning hard to try to save the pub for the village. Can we have a debate on how we can support that community and other villages throughout the country to save their local pubs?

Mr Lidington: This sounds to me a perfect subject for an Adjournment debate. I can point to cases in my own constituency where the local community has rallied and saved the local pub as a community asset. Changes to the law by this Government have made that possible.

Valerie Vaz (Walsall South) (Lab): May we have a debate on the NHS? I agree with my hon. Friend the Member for Eltham (Clive Efford). NHS Walsall clinical commissioning group, my local CCG, has had to find savings of £22 million. That is going to have a direct effect on Walsall Manor hospital and on social services. They need extra money, rather than to have to make cuts, so may we have that debate?

Mr Lidington: The Government have delivered in full and up front the additional money that the chief executive of the NHS said that he needed to deliver the NHS’s plan. The NHS plan involves looking at how health services in different parts of the country need to change and evolve to become the kind of services that we will need in future. Those are rightly decisions for the local NHS because the needs of urban and rural areas, and of one part of the country and another, may differ significantly.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): Two Government consultations have recommended increasing the rates of interest paid on late payments of compensation to people who are subject to compulsory orders. The Chief Secretary to the Treasury has indicated that those measures are unlikely to be introduced until after the construction of HS2 is due to start. Following years of mismanagement and failure, I have little faith HS2 Ltd will pay compensation on time and fairly to my constituents, but I understand that the measures can be introduced via a statutory instrument. Will the Leader of the House arrange for a statutory instrument to be brought before the House as soon as possible and certainly well in advance of the construction of HS2?

Mr Lidington: Mr Speaker, as my right hon. Friend knows, you and I will both have been following her question very closely. I will talk to the Chief Secretary to the Treasury to understand better the current position, and I am sure that he will want to write to my right hon. Friend to set out his views.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): May we have a statement from the Department for Environment, Food and Rural Affairs detailing what sanctions or incentives it has to ensure that developers comply with the national policy statement on ports in respect of shore-side electricity connection, particularly in areas identified as having poor air quality, such as London?

Mr Lidington: I am sorry if the hon. Gentleman was unable to put that question to Transport Ministers in the oral Question Time that we have just had. I would advise him either to write to Transport Ministers or to seek an Adjournment debate at which he can seek a more detailed response from the relevant Minister.

Mr Ian Liddell-Grainger (Bridgewater and West Somerset) (Con): Given that the number of MPs might be reduced by 50, the problem that we would then face is that this House would have to do all the stuff it does anyway with an inadequate budget. Will the Leader of the House either make a statement or allow time for a debate in the House on the staffing budget for the smaller number of MPs, who will still have to do the same amount of work across the House?

Mr Lidington: As my hon. Friend knows, that is a matter for the Independent Parliamentary Standards Authority, and I hope that he and other colleagues who are concerned will make representations to IPSA. When I meet the chairman and chief executive of IPSA in a few weeks’ time, I will make sure that I have his concerns on my agenda.
Seema Malhotra (Feltham and Heston) (Lab/Co-op):
Two weeks ago, Paawan Purba, a 20-year-old student from Heston, died of meningitis within 48 hours of contracting what appeared to be normal flu. She had no other obvious symptoms. Her parents, her sister Isha and the rest of her family have described to me how they knew little about how the disease could strike, or that any strand of it was potentially fatal. That level of knowledge has been reflected by almost everyone they have met, as well as by people I know. The family are calling for more young people to be vaccinated. May we have a debate on the take-up rate for meningitis vaccination, on how to increase awareness and better join up the messages and understanding across our communities and on how we can undertake more research, to see an end to this horrific disease?

Mr Lidington: May I first express my sincere sympathy to the family and friends of the hon. Lady's constituent? That must be an unbearable experience for any family to endure. I think many of us will have had comparable examples in the areas that we represent. I agree with her about the importance of highlighting this matter, and I am sure that Members in all parts of the House will support her endeavours. It strikes me that this is the sort of thing that a debate in Westminster Hall, which would allow a number of Members to participate, might be the best way in which to highlight the matter.

Dr Julian Lewis (New Forest East) (Con): Since the second world war, the BBC monitoring service at Caversham Park has performed a vital service in providing open source intelligence, and the Secretary of State for Defence confirmed at Defence questions on Monday that it is of vital interest to his Department. Today, an important letter on the same subject from Lord Campbell, the former Liberal Democrat leader, comes to the same conclusion. May we therefore have a statement or a debate as soon as Parliament returns on the swingeing cuts that the BBC is proposing to make to the service? Does my right hon. Friend agree that it would be disgraceful if any irrevocable steps were taken before the House returns, given that the BBC has been informed that at least one and probably two Select Committees want to hold inquiries into this matter urgently?

Mr Lidington: I appreciate my right hon. Friend's concern. He has taken a close interest in these issues for many years. I note that there will be a statement from the Secretary of State for Culture, Media and Sport about the BBC later today, and my right hon. Friend might be able to contrive to ask her a question that is in order at that point.

Mr Speaker: The right hon. Member for New Forest East (Dr Lewis) would certainly be able to do that, but whether that would meet the needs of his case is a matter for him to judge.

Alex Salmond (Gordon) (SNP): The Leader of the House is a keen listener, and probably a wannabe contributor, to my Wednesday afternoon radio phone-in show on LBC, in which I declare an interest. We had a vigorous debate yesterday on Hinkley Point before the announcement today because of Downing Street briefings. Why does he allow that to happen? Why does he not allow a vote, so that those who vote for this monstrous, mind-boggling financial folly can be named and shamed to their constituents for generations to come?

Mr Lidington: This is not a new policy. I do not want to pre-empt the statement, but a decision was made by the previous Government and it was put on hold by the Prime Minister, so that, quite reasonably, she could re-examine the evidence in detail before deciding whether to commit the United Kingdom to such a major project. The Secretary of State for Business, Energy and Industrial Strategy will set out in detail the Government's decision and the reasoning behind it, and the right hon. Gentleman will have ample opportunity to put his case to the Secretary of State then.

Mike Freer (Finchley and Golders Green) (Con):
One of my constituents, Naba Pandey, has been battling for many months for the return of money he invested in StratX Markets. StratX Markets—I want to stress the firm's name—has refused to engage with my constituent or me, and the money has not been returned. Binary options trading remains an unregulated, almost cowboy market, and the Treasury remains impotent. Will the Leader of the House arrange for a debate about regulation of the market?

Mr Lidington: My hon. Friend will understand that I cannot comment in detail on that constituency case, but binary option operators that hold remote gambling equipment in Great Britain are regulated by the Gambling Commission. Such operators must hold a licence to sell binary options lawfully to consumers. To do so without a licence is an offence. The Gambling Commission can and does take action against unlicensed operators. I advise my hon. Friend to take the case to the Gambling Commission. If his constituent believes that fraudulent activity has happened, he should take the case to Action Fraud.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Children across the country returned to school last week. Research from the Association of Teachers and Lecturers trade union suggests that a quarter of them were potentially malnourished because free schools meals were not available during the school holidays. That is heart-breaking, but we still do not know the scale of the problem because no proper research has been carried out. May we have a debate in Government time to establish what can be done about child food poverty?

Mr Lidington: The hon. Lady is right to draw the House's attention to the matter, and I will ensure that her concerns are passed on to the relevant Minister at the Department for Education. It may be that this is a matter for the Backbench Business Committee or for a debate in Westminster Hall, to thoroughly explore the issues and to get an answer from a Minister.

Oliver Dowden (Hertsmere) (Con): My right hon. Friend will be aware of the situation in east Asia, with North Korean nuclear tests and rising tensions in the South China sea. Does he agree that in this time of Brexit our allies across the region, Japan in particular, will be looking to this House and this Government to see whether we remain engaged in the region? Will he find time for the House to debate the matter?
Mr Lidington: My hon. Friend is right to highlight the grave significance of the recent North Korean nuclear test. This Government will certainly remain active in world affairs. When the Prime Minister and the Foreign Secretary go to the UN Assembly, they will have the opportunity to talk to leaders from around the world about, among other subjects, the risks of nuclear proliferation. The Government remain utterly opposed to the North Korean nuclear programme and sanctions are in place. A lot hinges upon the Chinese Government’s approach, as they are the power with the most direct influence over Pyongyang. My hon. Friend will have a further opportunity to ask about the matter at FCO questions on Tuesday 18 October.

Sue Hayman (Workington) (Lab): I found out this week that the suicide rate is rising faster in Cumbria than in any other part of the country. A mental health nurse has told me her worries about the stresses on services, but she is particularly concerned about the extra pressure that followed the devastating floods of last year. May we have a debate to look not only at what needs to be done to improve support for our mental health services, but at what extra support needs to be put in place when constituencies suffer a crisis?

Mr Lidington: As I hope the hon. Lady knows, the Health Secretary has made it clear that his policy is to ensure that mental health is treated not as a Cinderella service but on a par with physical health in planning the future of the NHS. I take note of her point about the problems that have affected Cumbria. It seems to me that in the first place this is matter for the local NHS, working with the many charitable and benevolent organisations that can often provide preventive support and help for people who are badly affected by floods or another disaster, and for them then to seek help from the NHS nationally if they feel that they need something extra for a period of time.

Jeremy Lefroy (Stafford) (Con): My constituent Michelle Evans, who is severely disabled, and her full-time carer and partner, John Turner, received a letter headed, “Your disability living allowance is ending”. It then gave less than a month’s notice to apply for the personal independence payment, followed by a curt text. May we have a debate on the way in which severely disabled people who have been on DLA for many years are communicated with and treated in the transfer to PIP?

Mr Lidington: I am concerned to hear about that case. If my hon. Friend would like to write to me with the details, I will ensure that they are passed on to the relevant Minister.

Maria Eagle (Garston and Halewood) (Lab): My constituent, Maria Hill, who has cleaned Her Majesty’s Revenue and Customs offices in Liverpool for 20 years was expecting a modest pay rise when the national living wage came in. Instead, Government contractors ISS cut her hours unilaterally and, as a consequence, she lost her tax credits and was £50 a week worse off. May we have a debate in Government time to discuss how the Government are making sure that their contractors comply with not only the law, but the spirit of the law?

Mr Lidington: On the HMRC case that the hon. Lady mentioned, I should point out that there are Treasury questions on 25 October, but I will have a look into the question that she raises more generally.

Henry Smith (Crawley) (Con): Last Friday, I was honoured to speak at the 80th anniversary celebrations of Vent-Axia in my constituency. I appreciate that we have yet to have a decision of both Houses on the refurbishment of the Palace of Westminster, but can we ensure that companies such as Vent-Axia and others in constituencies across the UK will be the preferred suppliers for that work? Perhaps this will even be enhanced in a post-EU procurement world, too.

Mr Lidington: If Parliament approves the restoration and renewal programme, there will be a need for skills and expertise in construction and renovation of all kinds. Indeed, the Joint Committee report says in terms that we need to make sure that there would be opportunities for specialist firms and for small businesses in this country to get a share of that work.

Mary Glindon (North Tyneside) (Lab): In the past week, two reports have been published on the tragic problem of drug-related deaths, as well as a report on the medical use of cannabis, which my hon. Friend the shadow Leader of the House has referred to so eloquently. Given the absence of the Government’s long-awaited drugs strategy, may we have a full debate on developing a relevant and realistic drugs policy?

Mr Lidington: Obviously, we have a new team of Ministers and it is reasonable for them to consider what drugs strategy they want to publish. The opportunities here lie with the Backbench Business Committee or perhaps with a 90-minute Westminster Hall debate to give that subject a proper airing.

Bob Blackman (Harrow East) (Con): We are fast approaching the anniversary of the Iranian nuclear deal. At the same time, the opponents of the Iranian regime are executed, religious minorities are persecuted, the Iranian regime has enhanced its ballistic missile capability and there is serious doubt that Iran is keeping to the nuclear deal. May we have a statement in Government time on what steps the UK Government are going to take to ensure that this regime is halted?

Mr Lidington: My hon. Friend is right to point to the frankly appalling human rights record of the Iranian Government. I also take the view that, generally, it is sensible, even where we have the most profound disagreements with the Government of another country, to have diplomatic channels so that there is a means by which to communicate with that Government. The Secretary of State for Foreign and Commonwealth Affairs is determined to ensure that human rights remain a key element in the United Kingdom’s foreign policy. There will be an opportunity to ask about Iran on 18 October.

Jo Stevens (Cardiff Central) (Lab): Today, postal workers across the UK are taking industrial action to protect their jobs, their pensions and our post offices. The Post Office has received £2 billion of public money over the past seven years. May we have a debate about
why that money has not been spent on new services, securing the future of our post offices and protecting decent jobs?

Mr Lidington: I regret the fact that there is industrial action, because all that will do is inconvenience customers and make it more likely that those customers will look elsewhere for the delivery of parcels and for communicating messages, rather than using Post Office services. The Post Office has indeed been given taxpayers’ money to enable it to make the difficult transformation to a world that relies increasingly on electronic and digital communications and in which there are other competitors for things such as parcel delivery. In general, this has to be a matter of commercial judgment for the Post Office management.

Tom Pursglove (Corby) (Con): What a summer of sport we have had: Andy Murray winning at Wimbledon, scores of Olympic golds, Paralympic success at the moment, and, perhaps most significantly, Northamptonshire winning the T20 Blast. When the House returns in the autumn, may we have a debate about the stunning summer of sporting success?

Mr Lidington: I cannot promise a debate, but I know that everyone in the House will want to congratulate not only the Olympians and Paralympians, but Northamptonshire on their T20 triumph. I am sure that my hon. Friend will be doing his best to arrange the Corby ticker-tape parade as soon as possible.

Matthew Pennycook (Greenwich and Woolwich) (Lab): May we have a debate on whether London councils such as Greenwich, which want to resettle vulnerable Syrian refugees, are receiving adequate support from the Government, particularly to cover the higher costs of accommodation in the capital?

Mr Lidington: There are ongoing discussions between the Government and local authorities about the pressure on a number of local authorities that would, in principle, be willing to take refugees, but that judge that, at the moment, there is too much pressure from a growing population on the housing market in their own areas. Ministers want to see those discussions brought to a successful conclusion as well, so I hope that we can take the matter forward to a satisfactory agreement.

Chris Davies (Brecon and Radnorshire) (Con): Following the announcement by Celtic Energy to mothball the open-cast mine at Nant Helen, Coelbren, with the loss of more than 100 jobs in my constituency, may we have a debate on the coal industry in Wales in order to support more than 100 jobs in my constituency, may we have a debate at Nant Helen, Coelbren, with the loss of the announcement by Celtic Energy to mothball the mine?

Mr Lidington: As my hon. Friend knows, my right hon. Friend the Justice Secretary is preparing legislation to ensure better payment standards for contractors and make it more likely that those customers will look for other employment following the decision.

Mr David Nuttall (Bury North) (Con): May we have a statement on what the Government are doing to stop convicted killers absconding from prison? This week, yet another murderer has disappeared, this time from Sudbury. Ministry of Justice figures show that prisoners convicted of murder have been absconding at the rate of one a month for years, putting the public at risk, so it is time that we really got a grip.

Mr Lidington: The Government have a strong record of insisting on tight schedules of repayment by contractors, and we have introduced new rules that try to make sure that small and medium-sized enterprises in particular are paid on time. If the hon. Gentleman would like to send me details of his constituency case, I will draw them to the attention of the Minister directly responsible.

Diana Johnson (Kingston upon Hull North) (Lab): In the light of the Brexit vote, may we please have a debate in Government time on whether the previous Parliament’s decision to reduce the number of parliamentary constituencies by 50 still commands the support of the House of Commons, and on whether the Government will reduce the number of Ministers if there is a reduction in the number of Members of Parliament?

Mr Lidington: I have to say that quite a number of Members of this House have, for some years, been representing a significantly larger number of constituents than the quota proposed by the boundary commissions. The central principle behind the new law and the boundary commissions’ recent proposals is that the electorates in constituencies should be the same, so that everybody’s vote counts equally. That seems a democratically just principle.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Wales Bill, which concluded its proceedings in this House on Monday evening, includes provisions to devolve an element of income tax powers to Wales. For those powers to work properly, they must be supported by a fair fiscal framework. May we therefore have an oral statement from the Treasury on this issue before the Bill reaches the National Assembly for Wales for the legislative consent motion process?
Mr Lidington: I cannot promise the hon. Gentleman a statement, but there will be Treasury questions on 25 October when he can make that point directly to Ministers.

Melanie Onn (Great Grimsby) (Lab): This week, the Victorian Society released its list of top 10 endangered buildings in the country. Tellingly, none was in London or the south-east. The grade-II-listed Victoria mill in Great Grimsby was on that list, and it was pictured covered in scaffolding, paid for by the local council following years of neglect by the private owners. May we have a debate, in Government time, on the responsibilities of private companies to preserve heritage assets around the country for the benefit of local communities?

Mr Lidington: As the hon. Lady hinted, there are already legal obligations on owners to keep buildings in a proper state of repair, particularly if the buildings are listed in any way, and there are sanctions available against those who choose not to do that, so there should be a remedy for her local authority. Often, the community rallying around can help to restore a historical building and convert it to new use successfully.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): May we have a debate about delays to the approval of a report by the Committees on Arms Export Controls on the supply of weapons to Saudi, as there is compelling evidence that UK arms are being used to kill women and children in Yemen? Can the Leader of the House advise us on whether the Government Whips had any role whatever in Committee members breaking the quorum during two Committee meetings, thus leaving the report as yet unapproved?

Mr Lidington: I am afraid that what goes on in Committees is certainly not a matter for me. On the broader point, there was a statement on this and related matters quite recently by the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood). The best thing I can do is point the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) towards Foreign and Commonwealth Office questions, which will be in the week after we get back.

Kevin Brennan (Cardiff West) (Lab): If the Leader of the House will not listen to the will of the current House, which is against the reduction from 650 Members to 600, may I suggest a debate on reducing the numbers in the Lords? Could we take a lesson from sport and introduce a squad system, whereby each party could nominate active peers, including Cross Benchers, thereby reducing the numbers voting in the Lords and ending the ridiculous situation where there are far more peers than elected MPs?

Mr Lidington: My regret is that when this House had the opportunity to vote for thoroughgoing House of Lords reform, this House chose not to do so.

Chris Stephens (Glasgow South West) (SNP): Can the Leader of the House confirm that the Government will shortly issue a statement on the impact of employment tribunal fees? Does the right hon. Gentleman agree that given that claims of sex discrimination are down by 91%, employment tribunal fees discriminate against women workers?

Mr Lidington: I shall draw the hon. Gentleman’s concerns to the attention of the relevant Minister. I do not know exactly when the report is likely to be published, but I shall find out and make sure that he is informed, as far as we are able to do so in advance.

Mrs Madeleine Moon (Bridgend) (Lab): May we have a debate on the all-party parliamentary group on social work’s excellent report on adult mental health in England, especially section 2 on meeting the needs of diverse and marginalised groups, including ex-military personnel with dual diagnosis of mental health problems, substance misuse and complex needs? Veterans are a unique group whose lives have been shattered by service to their country and too many of them are ending up in prison because of mental health problems.

Mr Lidington: The hon. Lady makes a powerful point. Many of us in our constituency surgeries have experience of individual cases of the kind that she describes. It sounds to me like the right kind of subject for a Westminster Hall debate. In my experience, it is often the military and service charities working with the NHS services that are best able to reach out to and communicate with the ex-service people concerned.

Nick Smith (Blaenau Gwent) (Lab): The Charlie Taylor report into the youth justice system will be wide ranging and important. It is critical that we improve the life chances of young people in danger of a life of crime, so may we please have a statement and publication of the report as soon as we return here after the party conference season?

Mr Lidington: I will draw that request to the attention of the Ministers concerned.

Steven Paterson (Stirling) (SNP): Last month I wrote to the Chancellor of the Exchequer seeking clarification about future funding for projects in the Stirling area that are currently funded by EU funding streams. The response that I received from the Treasury indicated that information on that would be published before the autumn statement. Does this imply that the Government have the beginnings of a plan about how to exit the EU? When will we be able to debate it?

Mr Lidington: The Chancellor of the Exchequer has said that he will guarantee the funding currently supplied by the EU up till 2020 on projected levels, and that he has also agreed to guarantee to fund various regional agricultural and fisheries projects which will have been signed and sealed by the time of the autumn statement, even if the lifetime of those deals goes beyond the likely date of exit. I hope that that will have given the hon. Gentleman the reassurance he seeks. If it does not and if he would like to write to me about his particular concerns, I will take that to Treasury Ministers.

Jessica Morden (Newport East) (Lab): May we please have a statement on the progress of the Government’s help to buy ISA? A number of constituents have been in touch over the summer. They are saving for their first
home and are concerned about reports that they cannot use that for the all-important exchange deposit. May we have clarification as these people need information urgently?

Mr Lidington: I refer back to the business statement. We will be dealing with the Savings (Government Contributions) Bill on 17 October, and the hon. Lady will be able to explore those matters in detail then.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The plight of displaced Syrians has moved us all. One of them came to my surgery last week. She is rebuilding her life as a third-year UCL PhD student and is now, unexpectedly, stuck with a bill of more than £30,000 for fees, as a result of the bar on funds coming in or out of Syria. May we have a Government statement to clarify the status of Syrian students? Her counterparts at Heriot-Watt, Edinburgh and Newcastle universities had their fees waived, and she faces an uncertain future here through no fault of her own.

Mr Lidington: The hon. Lady has just pointed to a disparity between the apparent practice in different cases. If she would like to write to me with details of her constituency case, I will take this up with the relevant Department.

Louise Haigh (Sheffield, Heeley) (Lab): Following the welcome news that Her Majesty’s Revenue and Customs will not be renewing its contract with Concentrix, whose performance the Leader of the House last week described as completely unacceptable, may we have a debate in Government time on the payment-by-results model in our welfare system?

Mr Lidington: There was a good opportunity to question the Financial Secretary when she made the statement about Concentrix earlier this week. I know that my right hon. Friends at the Treasury and the Department for Work and Pensions will be doing all they possibly can to ensure that appropriate lessons are learned and that we get the decent standard from contractors that constituents are entitled to expect.

Jim Shannon (Strangford) (DUP): On 16 December 2015, Vietnamese human rights lawyer Nguyen Van Dai and his colleague Le Thu Ha were arrested by police in Hanoi for providing training to religious communities throughout Vietnam and charged with conducting propaganda against the state, and they could face a sentence of 20 years. Would Ministers agree to make a statement on the release of these two prisoners, and indeed all prisoners of conscience, and to encourage Vietnam to repeal laws and decrees that infringe on fundamental human rights?

Mr Lidington: I agree with the hon. Gentleman that it should be regarded as a fundamental right for people to express and to proselytise on behalf of the religion to which they themselves adhere, so I was dismayed to hear about that particular case. Foreign and Commonwealth Office questions on 18 October may provide him with the opportunity he is seeking.

Mr Speaker: I am grateful to the Leader of the House and to colleagues.

11.35 am

Justin Tomlinson (North Swindon) (Con): Mr Speaker, with your permission, I would like to make a personal statement. In response to the report published by the Privileges Committee today and the report published by the Parliamentary Commissioner for Standards, I wanted to take this opportunity to make a full and unreserved apology to you and to the House.

In 2013, I breached the rules of conduct by sharing a draft report by the Committee of Public Accounts regarding the regulation of consumer credit. An investigation by the Parliamentary Commissioner for Standards was initiated in 2015, following a complaint made by Wonga. I completely accept the findings of the report published today by the Privileges Committee and the report submitted by the Commissioner for Standards. I accept that my actions in sharing the report constitute an interference in the work of the Committee of Public Accounts, and for this I am truly sorry. This was never my intention.

These actions came as a result of my own naiveté, driven by a desire to strengthen regulations on payday lenders and protect vulnerable consumers. The Commissioner for Standards confirmed this as my motivation, based on evidence that I have worked on cross-party campaigns to protect consumers and that I had long argued for tighter regulation of the payday lending industry. I welcome the report’s conclusion that my actions were not motivated by financial gain, and the report states that I did not act in the way I did for financial gain, nor with the intention of reflecting the views of the company concerned. I also appreciate the acknowledgment that the national newspaper story following the start of the investigation was unsubstantiated.

I have accepted full responsibility since the very beginning of this process and, as acknowledged in the report, I have provided an unreserved acceptance of the findings of the commissioner and have co-operated fully throughout three different inquiries. I would like to add my thanks to the Privileges Committee, the Clerk of that Committee and the Commissioner for Standards for their diligent work throughout this process.

I reiterate my apology today, Mr Speaker, and I am very grateful that the House has allowed me to make this apology at the earliest opportunity.

Mr Speaker: I thank the hon. Gentleman for what he has said and, indeed, for the way in which he has said it.
The Secretary of State for Culture, Media and Sport (Karen Bradley): With permission, Mr Speaker, I should like to make a statement. Today I am laying before Parliament a draft of the royal charter for the continuance of the BBC, together with the accompanying draft framework agreement between the Government and the BBC. The latter sets out the detail behind the charter, including out how the BBC will operate in the new charter period.

These drafts set out the policies contained in the White Paper, “A BBC for the future: a broadcaster of distinction”, which was published in May. This White Paper was the culmination of one of the largest public consultations ever. More than 190,000 members of the public, as well as industry stakeholders and experts, gave their views on how the Government could enable the BBC to continue to deliver world-class content and services over the next 11 years. The consultation served as a reminder that the BBC matters deeply to this country, as it does to people right across the world. Far from diminishing the BBC, our changes strengthen it.

I am very grateful to my predecessor, my right hon. Friend the Member for Maldon (Mr Whittingdale), for all his brilliant work on the BBC. My Department has worked very closely with both the BBC and Ofcom, which has taken on the job of being the BBC’s first independent regulator, to develop and agree these draft documents. I am a huge fan of the BBC. At its best, it is peerless. Our aim is to ensure that a strong, distinctive, independent BBC will continue to thrive for years to come—and also to improve the BBC where we can. I extend my personal thanks to Tony Hall and Rona Fairhead, and their teams, for their commitment to making this work.

The new charter and agreement will enable a number of improvements. They enhance the distinctiveness of BBC content, and the BBC’s mission and public purposes have been reformed to reflect this requirement. The governance and regulation of the BBC will also be reformed. The new BBC Board will be responsible for governing the BBC, and Ofcom will take on the regulation of the BBC. The charter and agreement sets out functions and obligations that the BBC and Ofcom must follow in order to deliver this. The charter explicitly recognises the need for the BBC to be independent, particularly in editorial matters, and the BBC will appoint a majority of members to its new board, with strict rules to ensure all appointments are made fairly and openly. The charter also provides financial stability for the BBC by making it clear that the licence fee will remain the key source of funding for the BBC for the next charter period.

Obligations for the BBC to consider both the negative and positive market impacts of its activities are set out in the charter. Ofcom must always keep these in mind when reviewing new and changed services. The BBC is obliged to work closely with others and to share its knowledge, research and expertise for wider public benefit. The Government want a BBC that is as open and transparent as possible. The charter sets out new obligations in this regard, including publishing the salaries of those employees and talent who earn more than £150,000.

The fundamental reforms set out in the draft charter will take time to implement, given the complexity of the changes, the need for a smooth transition and the importance of consulting on some elements of the new regulatory structure. There will be a short period of transition before the BBC Board and Ofcom take on their new governance and regulatory roles on 3 April next year. The BBC will continue to operate under current arrangements during the transitional period. Further details about the transition will be confirmed in the coming months, as we work closely with the BBC and Ofcom to ensure that all the elements of transition are managed as smoothly as possible, including the process by which the new BBC Board will be established.

Members of both Houses will now have a chance to consider the proposals in detail. To aid them in that endeavour, I have today deposited a series of information sheets in the Libraries of both Houses. I have also sent the draft documents to the devolved Administrations so
that the devolved legislatures can debate them over the coming weeks. My Culture, Media and Sport ministerial colleagues and I look forward to parliamentary debates on the draft charter and agreement in due course. Following those debates, the Government will present the charter to the Privy Council in order that the new charter is in place by the end of the year.

The BBC is one of this country’s greatest achievements and greatest treasures. These reforms ensure that it will continue to be cherished at home and abroad for many years to come. I commend this statement to the House.

11.47 am

Kelvin Hopkins (Luton North) (Lab): I thank the Secretary of State for prior sight of her statement this morning. As she rightly says, the BBC is one of Britain’s greatest achievements and greatest treasures. It is indeed the broadcaster against which other broadcasters across the world are judged, and the quality of its programmes is second to none. The BBC must be protected and sustained both in its independence and its funding. Does the Secretary of State accept that both of these are under some degree of threat?

Will the charter sustain a degree of Government pressure given that the BBC will have Government appointees on its new board? More significantly, does the Secretary of State accept that the introduction of mid-term reviews of the charter in the 10-year renewal cycle will put pressure on the BBC to look over its shoulder and seek to avoid upsetting the Government of the day, when it should be genuinely independent and free to comment without fear or favour on what Governments do and when Governments get things wrong? How will viewers and listeners be assured that the five-year health check will not put undue pressure on the BBC, or be interpreted as a de facto charter review? The fact that the new board has a number of Government appointees—including the chair and deputy chair with responsibility for editorial decision making—could weaken the BBC’s editorial independence. What guarantees will she give that undue Government pressure will not affect BBC independence?

On funding, what answers does the Secretary of State have for Lord Patten—the former chairman of the BBC and Conservative Cabinet Minister—about whether the BBC’s financial security will be affected, now that the cost of TV licences for the over-75s has been foisted on it in what he described as a “heist”? The Opposition take the view that welfare benefits, such as free TV licences, should be decided on and paid for by Government, not squeezed out of the BBC’s staff and programming budgets, other licence fee payers and, as will probably happen, some of the pensioners too. What answer does she have to that fair and logical case?

The Government have suggested that the BBC should have “distinctiveness”, in a departure from the Reithian view that the BBC should “inform, educate and entertain”. Channel 4 was created to bring distinctiveness to our viewing, but as a direct effect of the squeeze on BBC funding, great BBC entertainment programmes are being transferred to Channel 4. Is there not a risk that more of the BBC’s brilliant programmes will follow?

Even more worryingly, the BBC’s funding might be further top-sliced in the future. Will the Secretary of State guarantee that that will not happen? Will she look again at Government policy, and its relationship with the BBC, and guarantee that the charter will not diminish the scope and effectiveness of the BBC? Does she accept that the changes being brought forward by the Government will damage the BBC, in respect of its crucial independence and, most significantly, its ability to put on the finest of programmes, because of the impact on its funding? The BBC should be able to continue to put on the finest programmes across the whole range of its broadcasting. What assurances will the Government give that when the regulation of the BBC is transferred to Ofcom, it will retain its editorial independence? Above all, what assurances can the Secretary of State give that the BBC will be able to continue making the programmes we all enjoy? Finally, will the draft charter be subject to the most rigorous parliamentary scrutiny by both Houses and the devolved Administrations?

Karen Bradley: I thank the hon. Gentleman for his comments. I agree that the BBC must be protected and sustained. The work we have done on this charter will ensure that the BBC can not just survive, but flourish in a new era. This is not the world where everybody sat down and watched the same programme at the same time; people are accessing TV programmes in entirely different ways, and we want to make sure that the charter gives the BBC the sustainable footing it needs.

For the first time, we have made it an 11-year charter in order that it does not coincide with the electoral cycle and there cannot be seen to be political influence on the charter renewal. In addition, we want to make sure that this is the longest charter ever. Therefore, a mid-term review to ensure that the BBC is still delivering what licence fee payers, which we all are, want to see is a very important part of our proposals.

I must pick the hon. Gentleman up on his point about the deputy chair. There is no longer a deputy chair within the board’s structure. There are a chair and four nation members who will be Government appointments—public appointments. It is important that we have a member for each of the nations on the board and that they are full public appointments, and that the chair is an open and transparent public appointment. We are not appointing a deputy chair; it will be for the board to determine who the senior independent director should be.

The hon. Gentleman spoke about ensuring that there is distinctiveness. The words on distinctiveness are taken from the White Paper, which was the result of the consultation to which we had 190,000 responses—the largest consultation of its kind. I accept his point about making sure that there is a difference between Channel 4 and the BBC, but the distinctiveness of the BBC is what makes it so great for licence fee payers and for us as a nation. It is the thing that makes the BBC something that we can sell across the world. I doubt that any of us who went abroad over the summer did not come into contact with some form of BBC content, programming or original idea that was being shown or talked about locally.

The hon. Gentleman spoke about editorial independence. The charter sets out that there is editorial independence and ensures that the BBC is entirely independent. Although the public appointments will go through the full public appointments process, once they are board members, they will be BBC Board members who work towards ensuring that the BBC is the greatest it can be.

Finally, on funding and the over-75s’ TV licences, the director-general, Tony Hall, said in July 2015:

“The government’s decision here to put the cost of the over-75s on us has been more than matched by the deal coming back for the BBC.”

Several hon. Members rose—

Mr Speaker: Order. As I mentioned to the House earlier, there is another statement to follow and then two debates to take place under the auspices of the Backbench Business Committee, to which the first is notably well subscribed, so there is a premium upon brevity. May I appeal to colleagues, even distinguished and cerebral Back-Bench Members, to avoid discursive commentary or lengthy preamble and instead just to get to a pithy inquiry, to which I know there will be a pithy reply from the Secretary of State?

Mr John Whittingdale (Maldon) (Con): Will my right hon. Friend the Secretary of State confirm that the draft charter is not, as some have said, either a damp squib or the brainchild of Rupert Murdoch? Does she agree that the charter makes significant changes—including the new governance structure, the new requirements for diversity, distinctiveness and impartiality, the opening up of the schedule to 100% competition, and full access to the National Audit Office—and that those changes will ensure that the BBC continues to be the best broadcaster in the world?

Karen Bradley: I have a suitably pithy response, Mr Speaker: yes, I agree with my right hon. Friend, to whom we owe a great debt for where we are with the charter today.

John Nicolson (East Dunbartonshire) (SNP): May I thank the Secretary of State for advance sight of the statement?

Scottish National party Members are great champions of public service broadcasting and we welcome a number of the Secretary of State’s announcements, including the commitments to equality and diversity and to transparency and openness. That is something that we have not always seen at the BBC, not least with the appointment of Rona Fairhead. As we discovered during the Culture, Media and Sport Committee hearings, Ms Fairhead was reappointed after, apparently, a cosy private chat with the then Prime Minister. That is not how such significant appointments should be made, so the Secretary of State is entirely right to throw open the appointment to public competition.

We also welcome the adoption of another of the Committee’s recommendations on talent pay. Does the Secretary of State agree that the BBC argument that this will be a charter to poach talent is, quite simply, nonsense? If an agent is worth his or her salt, they will know exactly how much their client and all their competition are paid. I know that from bitter experience. Perhaps the Secretary of State will agree that the danger for the BBC is that it will be forced to reveal the salaries of many of its more mediocre but overpaid employees, and that there may be some national teeth-gnashing as a result, when people discover exactly what goes on behind closed doors.

Mr Speaker: Order. The hon. Gentleman is out of his time, but I am sure he is finishing his sentence. It needs to be a very short sentence.

John Nicolson: Thank you, Mr Speaker. Does the Secretary of State agree that the matter of a separate “Scottish Six” is entirely the responsibility of the BBC and its right to continue its pilots?

Karen Bradley: I detected significant personal feeling in the hon. Gentleman’s comments on pay—I will not comment further.

The position of chair of the new BBC Board is an entirely new role; it is not a continuation of the role of the chair of the BBC Trust. I pay tribute to Rona Fairhead for the work she has done as chair of the BBC Trust, but this is a brand-new role and, as such, we took the decision that it needed to be open to a full recruitment process, to ensure that we get the right person for the job. I am grateful to Rona for the work she has done, including on the charter, and I accept that she has decided not to put herself forward for the role.

On regional broadcasting, the hon. Gentleman will appreciate that BBC Alba is part of the BBC, whereas S4C is a separate, independent business. There may appear to be a difference in treatment, but that is to reflect the fact that BBC Alba is a wholly owned part of the BBC. I am sure the hon. Gentleman would agree that we have considerably beefed up the role of BBC Alba in the charter.

Finally, on the point about the “Scottish Six”, let me be clear that the BBC is the nation’s broadcaster, so I expect the BBC to reflect the national mood and the national news that is important across the whole nation. The hon. Gentleman is right that it is for the BBC, which has operational independence in this matter, to determine how exactly it makes that happen.

Mr Edward Vaizey (Wantage) (Con): I echo the Secretary of State’s praise for my right hon. Friend the Member for Maldon (Mr Whittingdale). I hope he will not take it amiss if I say that the “Maldon charter” has been considerably enhanced by the “Moorlands amendments”, particularly on transparency of pay and open competition for the BBC chairman. Will the Secretary of State confirm that diversity remains an important part of the charter and that she will work with the BBC to ensure that we see greater diversity—not just on the screen, but particularly behind it?

Karen Bradley: I thank my right hon. Friend for his comments and pay tribute to him for the role he carried out as, I think, the longest-serving Culture Minister we have ever seen. I agree with him on diversity and I can confirm that what he said is the case.

Mr Ben Bradshaw (Exeter) (Lab): Given where we could have ended up, may I warmly welcome today’s statement, and particularly the fact that the Government have backed down on the composition of the board?

We welcome the recognition of Gaelic, but will the Secretary of State go a little further and say whether she thinks it should have parity with Welsh? May I also address the Secretary of State’s rather strange statement that one of the BBC’s many responsibilities is to bring—
Given that Rona Fairhead was appointed specifically, in effect, to abolish her own organisation—she has done so—and to oversee a smooth transfer to the new unitary board, has her treatment not been a little rough?

Karen Bradley: I do not accept that there has been a backdown about the board; it is about considering what is an appropriate, balanced board which is the most effective way of helping the BBC to deliver on its charter requirements. I do not agree about Ms Fairhead. The proposal is no reflection on her or her ability to perform the role; it is merely a brand-new role.

Damian Collins ( Folkestone and Hythe) (Con): I welcome the Secretary of State’s decision to accept the Select Committee’s recommendation that there should be an open and fair process for the appointment of the chairman of the new BBC unitary board. When does she expect or hope that that appointment will be made and the new unitary board will assume its responsibilities?

Karen Bradley: As acting Chair of the Select Committee, my hon. Friend has done sterling work. The Select Committee’s report very much influenced the work we did on the charter over the summer. As I said in my statement, I expect the new board to be in place and all the regulators working by 3 April next year. I expect the new chair of the board to be appointed before that date.

Ian Paisley (North Antrim) (DUP): Does the Secretary of State accept and acknowledge that many of us do not share the doe-eyed sentimentality often expressed about the BBC, especially when they have borne the brunt of its bias over several years? On the issue of transparency, why has the publication of expenses or salaries been limited of amounts over £150,000? Why can it not be brought into line with MPs’ expenses of £75,000 and include all other expenses, including travel and accommodation?

Karen Bradley: The hon. Gentleman has, I know, had long-term issues—that might be the best way of putting it—with the BBC and a view of bias, but I am sure he would agree that he enjoys many BBC programmes on radio and television. We should cherish and really want to protect that. When it is at its best, it is Britain at its best. The Rio Olympics was a prime example of when the whole of Britain came together. The proposals are in line with civil service obligations on pay transparency, but the first disclosures will across bigger bands than we have in the civil service.

Philip Davies (Shipley) (Con): If the BBC is so universally wonderful and popular as we have heard, why does it need the criminal law in place to coerce people to pay for it? Does my right hon. Friend agree with me that if the BBC wants to take public money, it should be transparent and that if it does not want to be transparent, it should not take public money?

Karen Bradley: My hon. Friend knows that we carried out the Perry review on decriminalisation, which found that there was a need for a criminal sanction under the system. This is one of the issues that will continue to be looked at. The BBC, of course, needs to be transparent to show that it is producing value for money for the licence payer.

Ian Murray (Edinburgh South) (Lab): I thank the Secretary of State for what she said about the importance of the BBC; any organisation that can turn Ed Balls into Fred Astaire is truly remarkable. Will she emphasise that this charter renewal does not undermine the flexibility of the BBC Scotland’s news programming, and underline how important it is for audiences, not politicians, to choose programming?

Karen Bradley: I agree with the hon. Gentleman: it is for the BBC and the viewing public to make that determination. They will watch the programmes they want to watch, and the BBC can take editorial decisions around that. I am not sure that the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) is that keen now to be married to Fred Astaire.

David Morris ( Morecambe and Lunesdale) (Con): Just for absolute clarity, may I ask the Secretary of State why there is no provision in the statement for Scotland’s very own six o’clock news?

Karen Bradley: That is a matter of editorial independence at the BBC, and it is for it to make that decision.

Deidre Brock (Edinburgh North and Leith) (SNP): When appearing before the Education and Culture Committee of the Scottish Parliament, lead officials from the BBC eventually admitted after hard questioning from the Convener that ultimately decisions over commissioning would rest with London executives. Does the Secretary of State feel that the new charter will genuinely satisfy the desire of many in Scotland for greater autonomy on editorial and commissioning decisions lying where it should, with commissioners in Scotland?

Karen Bradley: The hon. Lady will have seen a letter from the director-general setting out his view of how the BBC ensures that that happens, and as an independent BBC, it is for the BBC to make sure that happens.

Simon Hoare (North Dorset) (Con): I welcome my right hon. Friend’s statement, in particular in relation to the involvement of the National Audit Office and the value-for-money assessments it will make. Does my right hon. Friend agree that that should deliver confidence, transparency, accountability and financial rigour?

Karen Bradley: I do.

Graham Jones (Hyndburn) (Lab): The BBC is increasingly unable to afford sports events and programmes such as “The Great British Bake-Off”, which has now gone to Channel 4, and we are now seeing pressures on BBC services and a merger of news channels. Is it not the case that this Government keep top-slicing and undermining? We see the BBC asked to fund the World Service, local TV, and now the £600 million for over-75s’ TV licences. This Government do not care about the BBC.

Karen Bradley: I totally disagree, and I will quote again the director-general:

“Far from being a cut, the way this financial settlement is shaped gives us, effectively, flat licence fee income across the first five years of the next charter.”
Sir Desmond Swayne (New Forest West) (Con): Will the Secretary of State ensure that no decisions are taken about the monitoring service at Caversham Park before important Select Committee inquiries are held next month? And can I just say that I do not share this unhealthy obsession with what other people earn? I was always told that it was rude to ask.

Karen Bradley: I will write to my right hon. Friend on that matter.

Diana Johnson (Kingston upon Hull North) (Lab): The Secretary of State talked a lot in her statement about the nations, but will she say how the charter will impact on regional news programmes and local radio such as BBC Humberside?

Karen Bradley: The decisions about news programming are editorial matters for the BBC and it has editorial independence as set out in the charter, but I strongly agree that we need strong regional programming across the whole of the UK, and that is what is clear in this charter.

Martin Vickers (Cleethorpes) (Con): Following the previous question, the Secretary of State will be aware that the English regions feel that their voice is not heard loudly enough. She refers specifically to Scotland, Wales and Northern Ireland; what board representation will there be from the English regions?

Karen Bradley: I can assure my hon. Friend that there will be an English board member—a public appointment—and I will do everything I can to make sure that that board member represents the regions of England.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In its latest annual report on BBC Wales output, Audience Council Wales said that the corporation needs to be more accountable to Welsh audiences. How will this be achieved following implementation of the charter and can the Secretary of State commit to a Wales member sitting permanently on the board of Ofcom now that it has assumed the role of external regulator?

Karen Bradley: I think the hon. Gentleman is confusing the new unitary board with Ofcom; they are separate bodies. Ofcom is the regulator; the new unitary board with Ofcom; they are separate bodies. Ofcom is the regulator; the new unitary board will have governance over the BBC.

Mr Stewart Jackson (Peterborough) (Con): The Secretary of State will be aware of the epic battle that took place during the last Parliament between the Public Accounts Committee—of which I was a member—and the BBC over the issue of redundancy payments for senior managers and their reappointment. Part of that involved the discrepancy between the legal resources of the Committee and those of the BBC. While I welcome the involvement of the National Audit Office, will the Secretary of State undertake to ensure that the Committee has the appropriate resources and powers to hold the BBC to account?

Karen Bradley: I can give my hon. Friend that assurance.

Mr Jim Cunningham (Coventry South) (Lab): Will the Secretary of State tell us what limit has been placed on the commissioning of programmes? A 100% commissioning rate could constitute privatisation by the back door.

Karen Bradley: Obviously the BBC needs to produce original content, but the fact that it does so by commissioning through independent production companies means that we have a thriving independent production sector which can then sell to the rest of the world. I encourage the BBC to do that, to ensure that we have those creative clusters. An amazing amount of activity and a number of new businesses have resulted from the BBC’s presence in Manchester, and its commissioning of programmes there.

Nigel Huddleston (Mid Worcestershire) (Con): Does the Secretary of State share my hope, and that expressed by Clare Balding, that the revealing of “talent” salaries will not reveal a gender pay gap?

Karen Bradley: That is a good point.

Alison Thewliss (Glasgow Central) (SNP): I am glad to see that some progress is being made on this issue, as about 850 BBC staff are based at Pacific Quay in my constituency. BBC Alba is currently struggling with a 73% repeat rate of programmes—including, over Christmas, my beloved children’s programme “Dotaman”, which was first broadcast in 1985. Will the Secretary of State grant MG Alba’s request for the BBC to increase its in-house programme contribution to BBC Alba to 10 hours a week, to match its contribution to S4C?

Karen Bradley: As I pointed out to the hon. Lady’s colleague the hon. Member for East Dunbartonshire (John Nicolson), BBC Alba is a wholly owned subsidiary of the BBC, whereas S4C is not. However, I agree with her that there is some fantastic broadcasting from Glasgow, and we do want to ensure that BBC Alba and others have the resources that they need.

Andrew Bingham (High Peak) (Con): Both “The Village” and “The League of Gentlemen” were made in my constituency; I suppose I must be the MP for Royston Vasey. Such programmes bring great economic benefit to the areas that people visit to see where they are made. Does any part of the draft charter encourage the production of programmes outside London, so that all our constituencies can benefit from the BBC?

Karen Bradley: I must declare an interest: I have cousins who live in the village of Hadfield, otherwise known as Royston Vasey, and I am extremely keen to ensure that more people visit it, because they will go to my cousins’ village shop.

Chris Stephens (Glasgow South West) (SNP): Can the Secretary of State confirm that her colleagues will publish, by local authority area, the cost of free television licences for the over-75s? I was told in a written parliamentary answer that the Scottish figure was £49 million, which is a lot of money. Will the Secretary of State respond to the criticism, made by many of us,

1[Official Report, 11 October 2016, Vol. 615, c. 3MC.]
Karen Bradley: I simply do not agree that there will be an impact on programming when the BBC’s guaranteed licence fee is rising in line with inflation over a five-year period.

Mark Menzies: I welcome the statement, but will the Secretary of State assure me that the excellent training and development and apprenticeship programmes run by the BBC will not be affected by the charter review?

Karen Bradley: I can give my hon. Friend that assurance.

Mr Peter Bone: Will the Secretary of State assure me that the BBC will have a detrimental effect on high-quality programming?

Karen Bradley: I am sure my hon. Friend will be pleased to know that Ofcom is the regulator under the new proposals, and that the National Audit Office will be assessing value for money for the taxpayer. All that will help to ensure that the issue of BBC bias is addressed.

Mr Speaker: Order. I do not think that the hon. Gentleman is seeking to intervene on this statement, although it is very likely that he will wish to intervene on the next.

Mr Speaker: Indicated assent.

Mr Speaker: Indeed. I am grateful.

Hinkley Point C

12.15 pm

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): With permission, Mr Speaker, I shall make a statement on the Hinkley Point C nuclear power station.

As the House knows, on 28 July, following a decision by the board of EDF to approve the final investment decision on the £18 billion project to build a new nuclear power plant in Somerset, I announced that the Government would consider all elements of the project carefully before entering into a contract with EDF, and that we would make a decision by the early autumn. I can announce today that the Government have decided to proceed with the first new nuclear power station for a generation. However, that decision includes two important changes.

On the Hinkley project itself, the Government will now be able to prevent the sale of EDF’s controlling stake before the completion of construction. That agreement will be confirmed in an exchange of letters between the Government and EDF. Existing legal powers, and the new legal framework, will mean that the Government can intervene in the sale of EDF’s stake once Hinkley is operational.

Furthermore, and even more important, we will reform the wider legal framework for future foreign investment in British critical infrastructure. Those reforms will have three elements. First, after Hinkley, the British Government will take a special share in all future nuclear new build projects. That will ensure that significant stakes cannot be sold without the Government’s knowledge or consent. Secondly, the Office for Nuclear Regulation will be directed to require notice from developers or operators of nuclear sites of any change of ownership or part-ownership. That will allow the Government to advise or direct the ONR to take action to protect national security as a result of a change of ownership. Thirdly, the Government will significantly reform their approach to the ownership and control of critical infrastructure to ensure that the full implications of foreign ownership are scrutinised for the purposes of national security. That will include a review of the public interest regime in the Enterprise Act 2002, and the introduction of a cross-cutting national security requirement for continuing Government approval of the ownership and control of critical infrastructure.

Those changes will bring Britain’s policy framework for the ownership and control of critical infrastructure into line with those of other major economies, which will allow the Government to take a fair and consistent approach to the national security implications of critical infrastructure, including nuclear energy, in the future. The changes mean that, while the UK will remain one of the most open economies in the world, the public can be confident that foreign direct investment always works in the country’s best interests.

This £18 billion investment in Britain provides an upgrade in our supply of clean energy. When it begins producing electricity in the middle of the next decade, it will provide 7% of the UK’s electricity needs, giving secure energy to 6 million homes for 60 years. Furthermore, it must be stressed that the contract negotiated places
all the construction risk on investors alone. Consumers will not pay a penny unless and until the plant generates electricity.

The proposed strike price of £92.50, which will be reduced to £89.50 if Sizewell C is built, contains important elements of insurance against any cost overrun in construction and future high gas prices, which have historically been volatile. It compares broadly with the costs of other clean energy such as offshore wind with the additional costs of intermittency, or gas with carbon capture and storage.

Hinkley unleashes a long overdue new wave of investment in nuclear engineering in the UK, creating 26,000 jobs and apprenticeships and providing a huge boost to the economy, not only in the south-west but in every part of the country, through the supply chain of firms, big and small, that will benefit from the investment.

EDF has also confirmed that UK businesses are set to secure 64% of the value of the £18 billion investment being made—the biggest single capital project in the UK today. However, as it is the first of a wave of new nuclear plants, we expect the experience of rebooting the nuclear industry to mean that costs should reduce for future new nuclear power stations, another five of which are proposed.

In any consideration of nuclear power, safety will always be the No. 1 consideration. The construction of Hinkley Point C will be under the close scrutiny of the Office of Nuclear Regulation, which is independent of the industry and Ministers. It has the power necessary to halt construction or require amendments to any part of the reactor and its associated construction. Unlike in the past, the long-term decommissioning costs for the plant will be provided for explicitly as part of the funded decommissioning programme, and at a level that has been assessed independently as prudent and conservative.

Any investment that provides significant electricity supplies for the next two generations of British people and businesses requires and deserves serious consideration. It was right that the new Government should have taken the time to consider all components of the project. Having reviewed the project, the Government are now satisfied that the improved deal and the other changes announced today will, for the first time, remedy the weaknesses of the previous regime for foreign ownership of critical infrastructure. It is important that the right balance is struck between welcoming foreign investment and ensuring that it serves the national interest. That is exactly what these changes will achieve.

The investment will secure 7% of the UK’s electricity needs for 60 years, helping to replace existing nuclear capacity that is due to be decommissioned in the decade ahead. The electricity generated will be reliable and low carbon, and therefore completely compatible with our climate change obligations. Hinkley Point C will inaugurate a new era of UK nuclear power, with UK-based businesses benefiting from almost two thirds of the £18 billion value of the project, and 26,000 jobs and apprenticeships will be created. All these developments are good for business in the UK. It is now right that we support this major upgrade—the first of many—to the infrastructure on which our future depends. I commend this statement to the House.
appear that the Government’s intervention has achieved something, no matter how much appearances may indicate to the contrary?

Is the Secretary of State aware of the House of Commons briefing paper entitled “Mergers & takeovers: the public interest test”? It highlights that energy security is already covered by national security, and that the Government already have the powers to prevent such a sale. Is he also aware that in the House of Lords, during the passage of the Energy Act, my noble Friend Lord Puttnam introduced an amendment specifically to introduce energy security as a new public interest term? Government lawyers then advised that:

“In cases where a merger posed a genuine and serious threat to what is described as societal needs, such as energy supply, this would be covered by the existing provision in the 2002 Act regarding national security—so ministers would be empowered to directly intervene.”

The Government created a commercial crisis. They sent shock waves through the industry and unions alike. They risked a diplomatic dispute with one of our key future trading partners, and in the end all they have done is pretend to give themselves powers that they already possessed. This statement is window dressing. It is face-saving by a Government who talked big and eventually backed down with a whimper.

The Secretary of State should explain whether he has reviewed changes to technology that have occurred in the past 10 years, particularly smart grids, battery storage technology and energy efficiency measures to manage our electricity supply in such a way as to reduce our need for the baseload power that Hinkley supplies.

Mr Speaker: Order. I think that the hon. Gentleman has concluded his remarks, because his time is up.

Greg Clark: The hon. Gentleman raised a large number of points, and I will address them. I hope that we share the view that a confident, long-term energy policy is vital to ensuring that people have access to secure energy that is affordable and clean, and that we should be a world leader in these important energy industries. I hope that he will not think it churlish of me to point out the complete absence of a long-term energy policy during Labour’s 13 years in government, when our nuclear fleet was known to be coming to the end of its life, yet no decision was taken to replace it. It has fallen to this Government to make the long-term decisions for the security of this country. Instead of making like the ostrich and hoping that the problem would go away, this Government are looking to the future, providing the upgrade to our long-term energy security that we need.

With regard to the hon. Gentleman’s position today, I am afraid that I am as confused as ever. His position is no more credible. He seems to be criticising the Prime Minister and the Government for taking the serious decision to review the components of a very important deal—that seems to be the import of his remarks. He said that this had damaged confidence, but when the announcement was made on 29 July, he told the BBC:

“T’m hoping what they will do is take two to three months to seriously review it”.

So much for the suggestion that we should not have had the review in the first place—although I am not sure what the purpose of that two or three months would be, because the very same day he said that he had already made his mind up. He said that he would not scrap the proposal “because I welcome the jobs and I welcome the 7% of electricity that this will produce for the nation.”

That is from the hon. Gentleman who was urging the Government to take longer to review something, the conclusions of which he had already agreed in the first place. The contrast between that and the seriousness and forensic approach of the Government is marked.

I will address the points that the hon. Gentleman has raised. The powers under the Enterprise Act are subject to takeover thresholds. We are ensuring that any change in ownership or control, of whatever size, will be covered by a national security test. That seems to be sensible.

On Hinkley, until we proposed these changes to the contract, EDF was at liberty to sell its majority stake in that important investment without even needing the permission of the UK Government. Therefore, it seems sensible and prudent to have agreed straightforwardly with EDF that the UK Government’s consent should be required.

I am surprised that the hon. Gentleman, who I would have thought would take a prudent view of matters of national security, should suggest—again, it is not clear—that we should not make these changes. When we debate these matters, he will be able to set out whether he opposes the measures we are taking to safeguard and entrench the same regime for national security in this country that other advanced economies enjoy.

I was clear in my statement that this is the first of what we hope will be a series of new nuclear investments. Just about 20% of power is generated by nuclear. It is important that there is another contribution to a diverse energy mix from nuclear. In so doing, we create new jobs, new opportunities and major advances for the UK economy.

John Redwood (Wokingham) (Con): I welcome proposals to make it more difficult for foreign interests, especially nationalised industries and Governments, to buy our crucial infrastructure. Does the Secretary of State agree that future power stations would be much better financed by private sector British investors or even on occasion by Treasury investment, rather than foreign investors, who will be able to take enormous sums of money out of our country for 25 years or more while the project is up and running, which is a cost on the balance of payments that we do not want?

Greg Clark: I welcome overseas investment of £18 billion in the UK economy. I hope that, as we develop our nuclear programme and skills and as the supply chain prospers, British companies will invest in the various parts of the new nuclear supply chain. In fact, we expect that to happen, with 64% of the value going to UK companies. However, it is an important part of the deal that the consumer and taxpayer will not pay a penny for construction costs unless and until the plant generates electricity. Knowing the record of cost overruns and delays to new nuclear power stations, I think it is prudent that that risk be held by the investors, rather than the taxpayer.

Callum McCaig (Aberdeen South) (SNP): I thank the Secretary of State for an advance copy of the statement, and I thank his Energy Minister for the courtesy call
this morning to explain the Government’s decision. I welcome the fact that we have had the statement before the recess to allow the opportunity for questions. It is unfortunate, however, that the Government have decided to take the gamble with Hinkley. The Secretary of State has outlined improvements, but the deal remains a rotten one; it will cost the bill payer £30 billion. He may say that the risk is with EDF and the construction companies, but, as Barclays outlined, if Hinkley Point C is 25% over-budget and four years late, EDF will still make a profit, at the expense of the bill payer.

If we do not pay a penny until Hinkley is built, or if it is built late, what will fill the gap? We know that coal is due to come off the system by 2025, when this project is meant to come on. If the gap is five years, what will fill it and at what cost? The cost of the project—Hinkley Point C will possibly be the most expensive object in history—is too much.

The opportunity cost is also a concern: we cannot spend the money twice; we cannot have the engineers working on things twice; and we cannot have the grid producing the electricity to be consumed twice. We could spend the money better. We could use our expertise better to develop an industrial strategy. The Government have said that that is part of their new policy, but that industrial strategy will mean foreign ownership, investment and profit. Instead we could develop the home-grown industries, which would see our country flourish, by investing in clean carbon capture, offshore wind, storage and solar. It would be better to invest in those things. I ask the Secretary of State to invest in the energy of the future, not the energy of the past.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): Mr Speaker, with your indulgence, may I thank the Secretary of State and the Prime Minister for making exactly the right decision? I emphasise how important this is for the Bridgwater and West Somerset constituency. I invite the Secretary of State to come down as soon as he practically can to visit the Hinkley Pont C nuclear power station. Will he look with some urgency at the nuclear college that we urgently need to build at Cannington? Further to the letter that I sent him from the local enterprise partnership, we need the last bit of the funding to ensure that the infrastructure to deal with the project in the local area is up to scratch and we can deliver the power plant on time and on budget, for the benefit of the UK.

Greg Clark: I return the compliment and thank my hon. Friend for his level-headedness and patience, while the review has been conducted. It is an extremely important investment for his area. I am looking forward greatly to going with him to visit Hinkley. He is right. Investment such as that in the college will provide the skills that will charge ahead the whole of the south-west and, indeed, the rest of the country. The supply chain extends to all parts of the UK. My right hon. Friend the Member for West Suffolk (Matt Hancock) will also be a beneficiary of the project. It requires an upgrade to the local infrastructure, and I will respond to the LEP on that. Earlier this week, I had a positive conversation with the Somerset chamber of commerce. It was clear that the benefits of what was then a proposal would be considerable—in fact, game changing—for Somerset.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State will be aware that Britain’s two most respected economy and finance publications, the Financial Times and The Economist, have both come out strongly against Hinkley C on value for money and on energy policy grounds, with The Economist describing it just last month as a white elephant before it is even built. Can he confirm that nothing that he has announced today is an improvement on the dreadful deal negotiated by the former Chancellor on the guaranteed price? Absolutely dreadful.

Greg Clark: I do not agree with the right hon. Gentleman. It is a good deal that will secure 7% of our energy into the future. Given that 20% of our nuclear capacity will be decommissioned over the next 10 years, it is incumbent on him and his hon. Friends to tell us how they would replace it if they are not going to be forward looking and make positive decisions such as those that we have made.

Mr John Whittingdale (Maldon) (Con): I welcome my right hon. Friend’s statement, which is good news for the energy sector and for my constituents in Bradwell-on-Sea. I can assure him that they welcome the prospect of Chinese investment in the Maldon district, where there is a long history of nuclear power generation. Does he agree that any future power station should be regulated by the UK inspectorate and staffed by British employees and that the cyber-security evaluation centre, which assesses technology supplied by Huawei for the telecoms sector, sets a good precedent for addressing any security concerns?

Greg Clark: My right hon. Friend is absolutely right. It is important that we should welcome overseas investment, but we should also have the kind of regime and powers
that other advanced economies benefit from. That is something that mature countries would expect to have, and that is what we are going to have as a result of these changes.

Tom Brake (Carshalton and Wallington) (LD): Having pressed the pause button, why is the Secretary of State now pressing the fast-forward button? Does he not recognise that, as the Financial Times has pointed out, this project does not represent value for money? Does he accept that the cost to consumers has gone from £6 billion to £30 billion and that his Government are now willing to put in public subsidy, which, under the coalition, they said they would not do? Also, this is happening at a time when the cost of renewables is plummeting.

Greg Clark: No, I have said that the construction costs will be entirely financed by the private investors in the site. It is important that we take a consistent long-term approach to energy policy, and in so far as this can be cross-party, that will be beneficial. It is especially ironic that two Liberal Democrat Energy Secretaries were closely involved in the negotiation of this deal. The right hon. Gentleman obviously takes a different view.

Zac Goldsmith (Richmond Park) (Con): Can my right hon. Friend confirm that, by the end of its life, this new power plant will have generated the most expensive energy in the history of energy generation? Does he agree with the National Audit Office that, by that point, consumers will have ended up subsidising EDF to the tune of £30 billion? Finally, can he tell us what is going to happen to the mountains of nuclear waste that this plant will generate?

Greg Clark: Securing a reliable source of energy for 60 years is a good investment in the future stability of our energy supplies, and that is worth having. Of course it is impossible to know what the alternatives will be during that time. We have seen very volatile energy prices. Sir Winston Churchill’s principle on energy security was that diversity, and diversity alone, was the key. I think that that is the right approach. I said earlier that decommissioning was provided for explicitly in the contract.

Kerry McCarthy (Bristol East) (Lab): EDF says that this will mean 1,500 jobs in offices in Bristol, as well as those associated with the plant, and I am meeting representatives of the company on Monday at Hinkley to discuss that, but these will be incredibly expensive jobs, given what we have already heard about the deal. Does the Minister really think that this is value for money? Would it not be better spent by investing in the renewables sector, which would also provide jobs in the south-west?

Greg Clark: I am slightly confused by the Opposition’s demeanour. In his rather confusing reply, the shadow Minister seemed to welcome the fact that the project was going ahead. Certainly, the trade unions in the south-west and across the country, which I imagine the hon. Lady speaks to, are very positive about it. The national secretary for energy for the GMB has said:

“Giving the thumbs up to Hinkley is vital to fill the growing hole in the UK’s energy supply needs.”

Frances O’Grady of the TUC has also welcomed the announcement. When the hon. Lady goes back to her constituency this weekend, perhaps she might like to talk to some of the unions, which are delighted on behalf of their members.

Kevin Foster (Torbay) (Con): I welcome this announcement, which will bring £465 million-worth of contracts to businesses in the south-west and a £4 billion boost to the economy of the south-west. Does the Secretary of State agree that we need to look at these decisions in the context of the fact that we have a fleet of nuclear power stations dating back to the 1960s and 1970s that will close over the next 10 years? These are not either/or decisions: we need both kinds of energy provision.

Greg Clark: That is exactly why long-term planning is essential. As I have said, about 19% of our electricity is generated by nuclear power, and if we do not renew it, that figure will fall to 2% by 2030. It seems to be prudent to get on with replacing it.

Sue Hayman (Workington) (Lab): I welcome this decision. It has been a long time coming, and it is a shame that it is been delayed over and again. I hope that Moorside power station will be built in the not-too-distant future. It will be incredibly important for economic development in my constituency. Can the Secretary of State assure me that the nuclear renewal programme will not be beset by delays?

Greg Clark: One of the reasons that we are so keen to inaugurate this new programme of nuclear engineering in this country is our need to replace the nuclear power stations that are being decommissioned and to build up in constituencies such as that of the hon. Lady. The skills that can make a valuable contribution to local life and to the national economy.

Chris Green (Bolton West) (Con): I welcome this start to the building of the new fleet of nuclear power stations and the opportunity that this will provide for British manufacturing. Will my right hon. Friend do all that he can to ensure that, in these deals, we buy the best of British?

Greg Clark: I will indeed. In the past 24 hours, EDF has made a commitment to me that 64% by value of the content will be spent with UK companies. That shows the tangible benefits to the whole economy of this programme.

George Kerevan (East Lothian) (SNP): The Minister has said that the Hinkley decision will not burden the national balance sheet. Can he clarify the status of the offer made by the previous Chancellor of the Exchequer to give EDF a Treasury guarantee of £2 billion to supplement the company’s liquidity? The National Audit Office has said that that offer puts the taxpayer at risk.

Greg Clark: I am delighted to answer that question. In fact, EDF has confirmed to me that it will not be taking up that £2 billion guarantee, so the taxpayer is fully insulated from the costs of construction.

Mr Alan Mak (Havant) (Con): I welcome the Secretary of State’s statement today. Can he confirm that he will continue to work with business groups such as the
Greg Clark: I will indeed. We want to have good investment opportunities for countries around the world, and China has been an important and valued source of investment right across the United Kingdom. It is important that we build on that.

Diana Johnson (Kingston upon Hull North) (Lab): In the light of the announcement today, is the Secretary of State now admitting that when the Government entered into the original contract, they failed to protect national security and critical infrastructure?

Greg Clark: Despite the injunction of the hon. Lady’s colleague on the Front Bench, the hon. Member for Brent North (Barry Gardiner), I can tell her that taking the opportunity seriously to review these matters before signatures were given has allowed us to improve the security of the arrangements. That seems to be a wholly good thing that I hope she will welcome.

Mark Menzies (Fylde) (Con): The Secretary of State is quite right to point out that nuclear energy provides a valuable part of UK energy security, but it is dependent on having the fuel to put into the system. The fuel for reactors in the UK is made in my constituency. Will he assure me that all efforts will be made to ensure that nuclear fuel for new reactors in the UK will be made in the UK whenever possible?

Greg Clark: Indeed, and I would be happy to visit my hon. Friend’s constituency see the production facilities for myself.

Matthew Pennycook (Greenwich and Woolwich) (Lab): I very much welcome the review, but I am astonished that a review of the strike price was not part of it. The strike price will rise to close to £120 per MWh by the mid-2020s, and it will rise with inflation thereafter. Will the Secretary of State tell us whether a serious examination of the cost and value for money for bill payers was part of the review?

Greg Clark: Of course we looked at every component part. To construct a new nuclear power station, the first for generation in this country, at no risk to the taxpayer or the bill payer is a considerable achievement and represents good value.

David Morris (Morecambe and Lunesdale) (Con): This is good news for my constituency, as we are now going to have a third nuclear power station built. Good news travels fast, and I have already had the local radio station desperate to get an interview with me. I should like to congratulate the Secretary of State on all his hard work and thank him for what he has done for my constituents. Will he agree to meet me shortly to discuss how we can speed up the decisions on the five proposed reactors, and will he also help me by discussing Heysham as soon as possible?

Greg Clark: I am happy, as always, to meet my hon. Friend, so he can consider the invitation accepted.

Mr Peter Bone (Wellingborough) (Con): We have an excellent Secretary of State who came to this House and made a full statement. He quite rightly gave the details of the statement to the Opposition and SNP spokesmen, but he also gave them in advance to the BBC. I read all the details on the BBC website. That is not how this House works. It may be that the pressure of spin doctors is still prevalent in Departments. That must stop. The House must be informed first. Does the Secretary of State agree that that is the convention of this House?

Greg Clark: I understand my hon. Friend’s point. I hope that he will concede that I have come to the House at the earliest opportunity. Such decisions have consequences for financial markets, and it is the norm to disclose such decisions at the opening of the markets. He can rest assured—I am sure that he will accept this—that my sense of responsibility to the House is clear in my mind, but the conduct of business must be orderly when it comes to the implications for financial markets.

Jeremy Lefroy (Stafford) (Con): I welcome the announcement about the golden share and support what my right hon. Friend the Member for Wokingham (John Redwood) said about future British investment, perhaps through a UK investment bank or UK pension funds, being important. Will the Secretary of State confirm where the currency risk will arise, in particular, for future subsidy payments out of the contracts for difference?

Greg Clark: The contract is expressed in pounds. The construction risk is entirely with the investors.

Kevin Hollinrake (Thirsk and Malton) (Con): I welcome the long-term investment in low-carbon energy and the creation of 25,000 jobs. Will the Secretary of State confirm EDF’s commitment to local jobs and to small and medium-sized businesses in the supply chain, such as James Fisher Nuclear in my constituency?

Greg Clark: I am sure that that firm will attest to that. The Somerset chamber of commerce was clear that the orders that had already been placed during the preparation of the site have been beneficial to the county.

Tom Pursglove (Corby) (Con): This is obviously a massive infrastructure project, and I welcome what the Secretary of State has had to say about the opportunities for UK supply chains. I hope that those opportunities will be extended to the steel industry. I strongly urge the Secretary of State to get out there and make the case that all the steel used in the project should be British. May I put in a plug for Corby tubes?

Greg Clark: They are of excellent quality. The commitment given to me by EDF that 64% by value of the work will be with UK firms will be of particular benefit to such firms and to the supply chain right across the country.
Points of Order

12.53 pm

Andy Slaughter (Hammersmith) (Lab): On a point of order, Mr Speaker. A consultation document has been published in the last 10 minutes—I am grateful to my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) for going to the Vote Office to get it for me—on the closure of the major court in my constituency along with Camberwell magistrates court, also in London. There has been no written ministerial statement and no other notice. Such things are often published late in the day on the day that the House rises. The court serves 600,000 people in London and was told only in June that extra capacity was needed. There should be an opportunity to raise such important local issues. By the time the House sits again, more than half of the consultation period will be over. Should not Ministers deal with Members on a more courteous basis?

Mr Speaker: The short answer to the hon. Gentleman’s inquiry is yes. It would be courteous if such announcements were made at an earlier point, not shortly before the House ceases to sit with minimal opportunity in parliamentary terms for the hon. Gentleman to explore the matter. I suggest that he uses his remaining time today to look at the options for asking parliamentary questions or for seeking a debate on this important matter. He would have every prospect of securing such a debate, and although it would be at a later point than he would wish, I guess it would be better than nothing.

I hope that Ministers will take account of what the hon. Gentleman said, because this concern can be felt by Members on both sides of the House. It is not clever when Ministers behave in this way. If it is done without malice or forethought, it is simply thoughtless. If it is done on the basis of knowing that it will disadvantage or inconvenience a Member, it is rank, inconsiderate and disrespectful not merely to the Member but, at least as importantly, to his or her constituents.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): On a point of order, Mr Speaker. You will be aware that this House has repeatedly discussed the impact of the Government’s planned cuts to supported housing—most recently during an Opposition day debate called for by my hon. Friend the Member for Easington (Grahame M. Morris) and me on 20 July. The Government pledged to look again at plans to cap local housing allowance and at the 1% housing benefit cut, which would also affect supported housing.

Today, the Government have announced by written statement that they intend to defer the decision on the LHA cap until 2019, but will be going ahead with the cut to supported housing providers from next April. Is it not an affront to this House and to all Members who have expressed concern about the Government’s plans for a Minister not to come to this place with an oral statement? Instead, they yet again sneak out an announcement the day before the start of recess. Is it not also an insult to tens of thousands of vulnerable people? Women who have suffered domestic violence, older people, disabled people, the homeless, former offenders, veterans and young people leaving care are yet again being plunged into uncertainty and insecurity.

I seek your guidance, Mr Speaker, on how Members on both sides of the House can hold the Government and their Executive to account and question Ministers on proposals in person and in detail.

Mr Speaker: I am grateful for the hon. Lady’s point of order. I entirely understand her disappointment and irritation. I hope that it will be possible when we return from the conference recess for the matter to be explored on the Floor of the House—there are a number of possibilities in that regard.

It is of course a matter of judgment for the Government as to whether a ministerial statement should be made orally or in writing. Although I understand her view that the matter merited an oral statement, I will mention en passant that there were two oral statements today as well as business questions. I have no way of knowing what exchanges took place within the Government, but it is by no means unknown for a Minister to want or, at any rate, to be prepared to make an oral statement but to be prevented from doing so because of competing priorities. I have no idea whether that was the case in this instance.

I simply say in response to the hon. Lady’s request for guidance that she can pursue the matter at the next Work and Pensions oral questions on Monday 17 October. I absolutely appreciate that that is a considerable time away, but it is one possibility. There are other forms of questioning that can take place in the course of the day, as she knows, and it is open to the Opposition to choose this matter for a debate on a future Opposition day. I am sure that she will find a way to pursue the matter and, insofar as it is proper, the Chair will be her friend in that process. Meanwhile, she has at least put her concern and extreme dissatisfaction on the record.

John Healey (Wentworth and Dearne) (Lab): Further to that point of order, Mr Speaker. I am grateful for the remarks you just made to the House. Were you given any indication that Ministers were considering an oral statement on the consequences of their cuts to the housing benefit of many thousands of vulnerable people in supported housing? The written statement raises more questions than it answers. The policy is delayed, but the cuts will go ahead. There is no figure on the new funding pledged, yet the Budget scored the so-called savings at £990 million. The new fund that has been promised is similar to the Supporting People programme, which has been cut almost in half since 2010.

The first announcement was smuggled out in the small print of the autumn statement. Today’s announcement is buried in the small print of a long written ministerial statement. What help can you give the House to ensure that Ministers are properly held to account for their decisions?

Mr Speaker: If there has been no opportunity to explore the matter in the Chamber before the recess, we return in October and there would be an early opportunity at that point. I have already referenced one of those opportunities, which is already provided for in the known timetable of oral questions. But if it is felt strongly by a Member, or possibly by a number of Members, that the matter warrants more thorough scrutiny than a couple of questions at monthly questions would allow, I would certainly be open to that possibility. The right hon. Gentleman asks me whether I had had any indication
that Ministers had been planning to make an oral statement on this matter, and I must answer by saying no, I have received no such indication. In fairness, it is not unreasonable for me to observe that absence of evidence does not constitute evidence of absence.

Jim Fitzpatrick: On a point of order, Mr Speaker. Last Wednesday, in a Westminster Hall debate on the proposed cruise terminal at Enderby Wharf on the Thames, I stated that Barratt Homes was the developer and could help—this was in column 197. Mr Tim Collins of Barratt has clarified that although Barratt is the residential developer, Morgan Stanley is responsible for the decision not to provide shoreside fixed electrical power for visiting cruise ships. I apologise to Barratt, I have written to Morgan Stanley and I am grateful for the opportunity to set the record straight, Mr Speaker.

Mr Speaker: I thank the hon. Gentleman. He has set the record straight, doing so pithily and the with the courtesy for which he is renowned in all parts of the House.

Tom Brake: On a point of order, Mr Speaker. You may be aware that in July the person who is now the Secretary of State for Exiting the European Union said that on 9 September—last Friday—the Prime Minister would “trigger a large round of global trade deals with all our most favoured trade partners.”

Bearing in mind that there was no statement on 9 September, do you think that such a statement should be facilitated, so that he could come to the House to set out what progress has been made on those trade deals—perhaps he could list the countries with which they have been initiated—and say whether he could deliver on the timescale that he had promised? He said that they would be completed within the next 12 to 24 months.

Mr Speaker: I am not sure that there is any mechanism for securing satisfaction for the right hon. Gentleman today. It may be that the right hon. Member for Haltemprice and Howden (Mr Davis), whom he has in mind—the Secretary of State for Exiting the European Union—would be enthusiastic beyond words about the possibility of appearing before the House, and engaging with, hearing from and responding to the right hon. Gentleman. However, I think the Backbench Business Committee, under whose auspices two debates are about to take place, may take a different view. I know that the right hon. Gentleman is an eager and assiduous Member of Parliament, but I think it unlikely that he will spend all of the conference recess reflecting on this matter—it would be a bit sad if he were to do so. If he comes back in October and remains similarly vexed and anxious for clarity, I hope he will use the mechanisms available to him. I think we had better leave it there for now, as we have had a considerable feast of points of order today.

BILL PRESENTED

HEALTH SERVICE MEDICAL SUPPLIES (COSTS) BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Jeremy Hunt, supported by the Prime Minister, Mr Chancellor of the Exchequer, Secretary Greg Clark, Mr Philip Dunne and Nicola Blackwood, presented a Bill to make provision in connection with controlling the cost of health service medicines and other medical supplies; to make provision in connection with the provision of pricing and other information by those manufacturing, distributing or supplying those medicines and supplies, and other related products, and the disclosure of that information; and for connected purposes.

Bill read the First time; to be read a Second time on Monday 10 October, and to be printed (Bill 72) with explanatory notes (Bill 72-EN).
Backbench Business

Domestic Abuse Victims in Family Law Courts

1.3 pm

Angela Smith (Penistone and Stocksbridge) (Lab): I beg to move,

That this House notes the Women’s Aid report entitled Nineteen Child Homicides, published in January 2016; and calls on the Government to review the treatment and experiences of victims of domestic abuse in family law courts.

Let me make it clear at the beginning that I will take only two interventions at most, because this debate is heavily subscribed and I want people to have time to speak. The debate today is not really about courts, laws and statutory agencies; it is about children—or, rather, it is about children whose mothers have been subject to domestic abuse and who themselves have become victims of violent and coercive fathers. This debate, in particular, is about the 19 children who have died at the hands of their fathers over the past 10 years, all of whom had access to their children through formal or informal child contact arrangements. So with the good will of the House, I want to dedicate the first part of my speech to telling the story of Claire Throssell, my constituent:

“It took just 15 minutes on the 22nd October, 2014, for my life and heart to be broken completely beyond repair. I had warned those involved with my case that my happy, funny boys would be killed by their own father; I was right.

My boys were both with their father on that October day, and at around 6.30pm he enticed Paul, nine, and Jack, 12, up to the attic, with the promise of trains and track to build a model railway. When the boys were in the attic, he lit 16 separate fires around the house, which he had barricaded, so my sons could not get out and the firemen could not get in.

Only 15 minutes later...the doorbell rang at my mum’s. (We were staying there temporarily after the separation.)

'It’s the boys, they must be early,' my mum said—but I knew that wasn’t right. The boys would have run into the house and straight into my arms; they always did after a visit to their dad. They were frightened of him—he was a perpetrator of domestic abuse. The statutory agencies involved in our case knew this.

I opened the door. Blue lights were flashing.

‘There’s been an incident at your former home; the boys have been involved in a fire...’

Running into the hospital, the first thing I saw was Paul receiving CPR. A doctor, drenched in sweat and exhausted, told me they were withdrawing treatment.

I held Paul in my arms. I begged him to try, to stay, to not leave me.

He looked at me, smiled, and the life left his beautiful blue eyes. His hair was wet with my tears as I kissed his nose. Then Paul, my boy, was taken out of my arms and into another room. There was no further chance of touching him; his little body was now part of a serious crime enquiry.

Detectives arrived and informed me that my former husband was responsible for the fire, and that he’d also died. All this time I wasn’t allowed to see Jack, as they were still fighting to save him. Thankfully, he never knew that Paul had died. He’d tried to save his little brother.

The police later disclosed that Jack was still conscious when carried out of the fire and told them: ‘My dad did this and he did it on purpose.’ This was taken as his dying testimony.

Jack clung to life for five days but his battle was too big for him to fight. His body had suffered 56% burns. On the 27th October, he too died in my arms after suffering a cardiac arrest due to his horrific injuries."

That is Claire’s story—it is tragic and heartbreaking, utterly heartbreaking. But I wanted that story on the parliamentary record—and now, thank God, it is—because it is the testimony of these stories, heard here in this Chamber, that will in the end engineer the changes we need to see to make sure that Claire’s story does not become another mother’s story. Before I move on to highlight what changes are required, I want to pay tribute to Claire. In my 12 years as an MP, I have never been asked to intervene in a case like this. No other case I have been presented with has touched me like this. No other constituent has impressed me so much with her bravery and her determination to secure something positive out of something so dreadful.

I want to pay tribute, too, to the people of Penistone, who responded magnificently to Claire’s tragedy. Claire’s husband cancelled the insurance on the property before he set it on fire. He also did other things, which I will not go into, that effectively left her penniless and without a home. The people of Penistone, led by our wonderful vicar at St John’s church, rallied round, raising money to buy somewhere for Claire to live and pulling together, in DIY SOS style, to make her new house into a home. In black, dreadful times such things matter, and I am incredibly proud of the people I represent in this close-knit, warm-hearted community.

Let me move on to the changes that are critical if we are to ensure that this never happens again, and to what we need to do to secure Claire’s legacy and the legacy of her children, Paul and Jack. The Women’s Aid report “Nineteen Child Homicides” was published earlier this year in response to the failure of the family courts to embed in their practice a culture of putting children first.

Mr Jim Cunningham (Coventry South) (Lab): On that point, there should be an urgent review of family courts, because, very often, people who are giving evidence are not protected; they are actually facing their abuser. More importantly in relation to family courts, my constituent, a victim of domestic abuse, was in hospital. The abuser got custody of her children, as she was not represented in the courts. That is one reason why I say that we need an urgent review of family court practices.

Angela Smith: I completely agree with my hon. Friend. All of that is despite the fact that, in 2004, a legal framework and the accompanying guidance was produced to ensure that there was protection. That legal framework itself was a response to an earlier report by Women’s Aid “Twenty-nine child homicides”. At its heart was a recognition that the courts needed to develop a new culture of putting children first. The accompanying practice direction 12 requires courts to ensure that, where domestic abuse has occurred, any child arrangements ordered protect the safety and well-being of the child and the parent with care, and are in the best interests of the child.

In addition, in 2015, a new criminal offence of controlling or coercive behaviour in an intimate or family relationship was introduced and practice 12 was amended to reflect this wider definition of domestic abuse—two developments that are potentially big steps forward.
Seema Malhotra (Feltham and Heston) (Lab/Co-op): My hon. Friend is making an incredibly powerful speech. I have been struck by a number of constituents and by other people whom I have met through my work in the House who have said that, as victims, when they have gone into the courts, including family courts, they have felt that they have not been believed and that those involved in the judiciary do not fully understand the patterns of domestic abuse and what to believe and who to believe in the courts. Does she agree that an important part of this is the training of the judiciary and the updating of the training to reflect changes in the law?

Angela Smith: I completely agree with my hon. Friend. I wish now to ask a few questions. What exactly are the failures of the family courts, given the legislative tools at their disposal? Why is it proving so difficult for the family courts to tackle this issue? Why is it so hard to put children first? I suggest that there are two major reasons. First, there is the ongoing assumption that men who are abusive towards women can nevertheless still be good fathers. That belief—that myth—is unbelievably enduring and flies in the face of the available evidence. Research indicates that there are many serious, negative impacts on children arising from domestic abuse, including children becoming aggressive or, conversely, over compliant. They can become withdrawn, anxious and fearful. One study also found that more than 34% of under-18s who had lived with domestic violence had also been abused or neglected by a parent or guardian. I do not see why that should surprise anybody. Surely, this outdated, discredited way of thinking has no place in our family courts. Surely, given the ongoing incidence of violence against children and the frequent link with domestic abuse, we need effectively to eradicate this cultural legacy from our family courts.

Secondly, there is an ongoing failure on the part of the statutory agencies and the family court judiciary to understand that domestic abuse frequently involves coercive control; abuse is about power and control. That is why it is not surprising that fathers who beat up women can also abuse children.

Physical injury is not the only manifestation of abuse and it is in that context that the courts themselves can become a tool in the armoury of a controlling abuser. In other words, when separation occurs and a woman removes herself and her children from an intolerable situation, the abusive parent frequently uses family court proceedings as a means of continuing his attempt to control and coerce.

This brings me back to Claire’s story. Her abuser exercised the ultimate control over her. Not only did he drag her to the family court for unsupervised access to his children, he went on to murder her children. In doing that, he has, with one awful, heartbreaking criminal act, exercised control over Claire for the rest of her life. That should give us pause for thought. Never again will Claire’s life be the same, as her two boys have gone. We all feel her pain, and we have a duty to act.

That is why I have worked with Women’s Aid and other MPs to secure this debate today. I pay tribute to Women’s Aid and the all-party group on domestic violence, which have produced reports that reflect on what needs to be done. I do not have time to go through their recommendations in detail. Suffice it to say that they relate to measures designed to put children first, to implement properly the legal framework and Practice 12, including the professional training of court staff and the judiciary as my hon. Friend the Member for Feltham and Heston (Seema Malhotra) mentioned, and to put in place independent national oversight of the implementation of Practice 12. They also include practical measures, such as dedicated, safe waiting rooms for vulnerable witnesses and separate entrance and exit times.

Of course we all want to see reform of the Government’s legal aid changes to ensure that representation in the family courts is adequate and sufficient to avoid the current situation, which sees abused women cross-examined by their abusers. I know that the Minister, who has written to me separately, has indicated that the president of the family division has asked Mr Justice Cobb to review practice direction 12 to see whether amendments are needed, but we need more than that. The public needs more than that, as is indicated by the 38 Degrees petition, which has now been signed by more than 33,000 people. We need to see: the Ministry of Justice take action to ensure that the legal framework is properly implemented; practical changes to the ways the courts work; resources dedicated to ensuring the professional training of court staff and the judiciary; and the Government indicating that they will do all that is necessary to improve the relationships and the information sharing between statutory agencies and between those agencies and the family courts. There was a huge delay in the cases of Claire, Jack and Paul.

Above all else, for Claire’s sake and for the sake of all vulnerable women, we need the Government to send out a very clear message. By agreeing to act on today’s motion, the Government would be sending out a clear message that domestic abuse will be tackled, that it will be dealt with in all its forms, and that we will not allow our children to be harmed by it.

Jack and Paul must never be forgotten. Claire wanted their names to be used in the serious case review, but the authorities refused, preferring to refer to them as P2. Jack and Paul were not P2; they were two dearly loved boys whose lives were snatched away from them by a violent father. Let us make sure today that Jack and Paul will never be forgotten. Let us support the motion on the Order Paper.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. Before I call the next speaker, I may just say that I do not want to put a time limit on this debate, but we do want to bring in the next debate at about 3.30? If everybody, including those on the Front Bench, have 10 minutes including interventions, we will easily get everyone in.

1.20 pm

Mrs Maria Miller (Basingstoke) (Con): I would very much like to pay tribute to the hon. Member for Penistone and Stocksbridge (Angela Smith), whose powerful testimony really set the context of this debate. I thank the Backbench Business Committee for granting the debate, and Women’s Aid for its tireless work in championing the rights of domestic abuse victims.

The basis for this debate is the findings of the Women’s Aid report, which are very disturbing indeed. The Government and the judiciary have to listen and act. Every single recommendation in the report needs to be
considered. Further child deaths, such as those in the tragic case that we have just heard about, have to be prevented. The courts need to challenge themselves on their attitudes, their culture, and their practices in all domestic violence cases. We have to be clear that priority should be given to tackling domestic abuse. I think that the Government feel that it is a priority—and they have not only spoken, but acted. Coercive control is now an offence under the Serious Crime Act 2015. It is important that, as is recommended in the report, all members of the family court, the judiciary and the Children and Family Court Advisory and Support Service have specialist training so that they understand the reality of what that new law means.

Mrs Madeleine Moon (Bridgend) (Lab): Does the right hon. Lady agree that sometimes family courts mistake fathers’ persistence over access, and their going through the courts time and again, for their taking an interest in their children, when it is intimidation and bullying of their former partner? Frighteningly, in my constituency, I have had a CAFCASS worker tell children who were afraid of their father and did not want to visit him that if they did not go, their mother would be in deep trouble, so they had to go and see him. That is shocking behaviour from any professional.

Mrs Miller: The hon. Lady makes a powerful point, and she is right to pick up on the complexities of coercive control. None of us should underestimate how difficult it will be for professionals truly to understand the complexities of this behaviour, but understand it they must if we are to make sure that the law is put into practice.

The House has thought long and hard about the other ways in which the Government have shown their commitment to tackling domestic violence. In particular, the Government have supported the Istanbul convention, which sets out a clear commitment to tackling domestic violence through legislation, training, and awareness-raising campaigns such as “This is abuse”. I applaud them for signing up to the convention, but when he responds, will the Under-Secretary of State for Justice, my hon. Friend the Lord Chancellor of additional support for victims of domestic violence by their alleged abusers. I think that those figures shocking, given the nature of the crimes and the situations that we are talking about. I welcome today’s announcement by my right hon. Friend the Lord Chancellor of additional support for vulnerable witnesses. My understanding is that victims of domestic abuse are treated as vulnerable witnesses. I hope that the Under-Secretary will confirm that those very welcome announcements will cover those who have suffered domestic abuse and violence. Specifically, an increase has been announced in the number of locations where victims and witnesses can give evidence remotely. Even more welcome are the measures allowing the pre-recording of evidence from 2017. Those measures are a real step forward, but we need to make sure that they are available not just to some victims, but to all. I am sure that Members of the House would want those reassurances today, because we need all the family courts to give witnesses and victims the support that they need. Two other important special measures in family courts are the ability to give victims and witnesses separate waiting rooms, and their ability to leave the court by separate exits. That is particularly vital for women living in refuges.

It is clear that family courts are regularly not protecting women and children in the way that we all want them to, and the way that the Government want them to. We need an end to the trivialisation of victims, the denial of domestic violence by their alleged abusers. We need assurances that special measures will routinely be available in family court proceedings.
Mr Jim Cunningham: Does the right hon. Lady agree that what is really required is some form of witness protection scheme? We had a Bill on that many years ago.

Mrs Miller: I understand the point that the hon. Gentleman makes, and that might be appropriate in some cases, but I have to say that many of the people who have spoken to me about this issue simply want these very basic measures in place—things that frankly should be in place already, but are not being given the priority that they need. I know that there are pressures on the court system, and on budgets, but we have to make sure that the courts see this as a priority, and at the moment, we could be forgiven for thinking that they do not.

A third element that I would like to see is proper training for family court staff, particularly on coercive behaviour—an issue that the hon. Member for Bridgend (Mrs Moon) spoke about eloquently. Lastly, but by no means least, there should be expert risk assessments in child contact cases when abuse is involved.

We know that the Government understand the problem. Just three months ago, the Prime Minister said at the Police Federation’s annual conference:

“Victims of abuse are still being let down”. Improvements such as those announced today are welcome, but the change in culture is still not complete. We need the Lord Chancellor, the Under-Secretary—who is here today—my right hon. Friend the Home Secretary and the Prime Minister to continue to put this issue at the top of the Government’s agenda, because we need to tackle domestic abuse. We need to tackle the sort of tragic cases that the hon. Member for Penistone and Stocksbridge mentioned in opening the debate. I hope that this debate will help to ensure that the issue continues to be at the top of the Government’s agenda for the rest of the Parliament.

1.29 pm

Sarah Champion (Rotherham) (Lab): I pay tribute to my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) for securing this debate and putting on record that story and her campaigning on the issue. It is so necessary that Members understand what is going on. I thank Claire Throssell for bravely being here today and for having the courage to put forward her personal tragedy, which most of us could not endure, so that that can never, ever happen to anybody else. We would be letting her sons down if we did not do that. We will remember Jack and Paul.

It is a simple but awful fact that women bear the brunt of violent crime in England and Wales. Although violent crimes against men are falling, Office for National Statistics figures for England and Wales showed that between 2009 and 2014 violence against women, perpetrated by someone they know, increased rapidly. Alongside this dramatic rise in violence, the services that women rely on to escape violence and abuse are disappearing. Between 2010 and 2012, a third of local authority funding for domestic and sexual violence services was cut, and a third of all referrals to refuges were turned away. It is also true that domestic violence has a higher rate of repeat victimisation than any other crime.

On average, a woman will endure violence 35 times before making her first call to the police. Even once they have sought help and the case is going forward, women are often re-victimised and re-traumatised by ten perpetrators during the prosecution process and in the family courts. One particular focus for that repeat victimisation are the fights that ensue between a victim and a perpetrator over contact with their children and the consequences of the decisions made. Sadly, this is something that women in my constituency have suffered first hand, and I am sure I am not alone in that. I shall give just one example out of the many that I could have picked.

A constituent came to me with various issues regarding custody and contact with her child. The father of her child had been extremely abusive, and these behaviours had been perpetuated by the father’s parents. Unfortunately, other legal issues on the part of the mother led to her losing custody of the child, who was placed in the care of the paternal grandparents. The mother was granted contact, but this was at the home of the paternal grandparents, who had both facilitated and taken part in abusive behaviour. The trauma experienced by the mother in order to maintain a relationship with her child was extreme. The judge in this case simply failed to understand or show any appreciation of the dynamics of domestic abuse.

This lack of understanding not only re-victimises survivors, but causes direct harm to the children. The NSPCC reports that 20% of children in the UK have witnessed domestic abuse—exposure that can cause anxiety, developmental delays and learning difficulties. Frequently, domestic abuse and child abuse co-exist. In 2015, SafeLives reported that 62% of children in households where domestic violence is perpetrated are also directly harmed. How can our family courts fail to see the inextricable link between coercive, violent and controlling behaviour perpetrated by men towards women and the threat posed to the safety of children in that family?

Kerry McCarthy (Bristol East) (Lab): Does my hon. Friend agree that there are many cases of domestic violence where the woman, perhaps because she has hopes of the relationship continuing, or perhaps because of intimidation or factors, does not press charges? It is important that family courts nevertheless take those allegations into account. It is not just the cases that proceed to prosecution which should be taken seriously.

Sarah Champion: I agree. We need to give victims some of the responsibility for setting the way forward, whereas our court system seems to take everything away from them and to use evidence to penalise them, rather than to support them.

How can family courts knowingly place children directly in harm’s way? That is exactly what is happening. The 2015 Women’s Aid survey of women survivors of domestic abuse who had experience of the family courts found that 76% of respondents reported that the judge granted child contact to the father, even though they knew that the children had witnessed domestic abuse. Even more terrifying, more than 44% of the survivors surveyed reported that the judge granted child contact to the father, when they knew that the children had been directly abused by the father.
Will the Minister confirm to the House that there must not be an automatic assumption of shared parenting in child contact cases where domestic abuse is a feature, but that child contact could be decided on the basis of an informed judgment of what is in the best interests of that child? Furthermore, will the Minister support the Women’s Aid recommendation that judges, staff in the family courts and other front-line staff receive specialist training on the impact of domestic abuse on children?

Finally, it is important in this debate, as it is whenever this House debates violence and abuse, that we consider how to prevent these awful crimes from happening at all. Sadly, once a survivor is forced to seek safety and forced to face her abuser in court, the damage to her and to her children has already been done. Early intervention that supports a child from the earliest possible age to recognise and develop positive and respectful relationships will prevent children from growing up believing that abusive and violent relationships are normal. It will teach boys and girls to respect themselves and others, and teach them that their body is their own and that they must determine their own lives. Does the Minister agree that mandatory, age-appropriate resilience and relationship education is a necessary way to prevent domestic abuse and violence? We ought to try to prevent this horrific crime from ever occurring.

1.36 pm

**Paul Scully** (Sutton and Cheam) (Con): I congratulate the hon. Member for Penistone and Stocksbridge (Angela Smith) on securing this debate, which I am happy to support, and for her incredibly powerful opening speech. It was a fantastic job to put that on the record. I congratulate Women’s Aid for its important and hard-hitting report, “Nineteen Child Homicides”, which makes for difficult reading. It is always difficult to hear such examples, but hear them we must. The individual cases show that domestic abuse is not just an abstract issue. The lives of 19 real children were cut short, another two children were seriously harmed, three mothers were killed, seven fathers subsequently committed suicide, and four fathers were convicted and imprisoned. Many more people are likely to have been directly touched by these tragic events—siblings, grandparents, surviving wives, family and friends. All those men were known to agencies. Eleven of the 12 men were known to the police as well.

A number of constituents have approached me about their custody cases. Some mothers were unhappy, some fathers felt that they had been treated badly, and grandparents felt unable to get a look-in. Whatever the rights and wrongs of those individual cases, it is clear that the right thing to do is to put the child first, at the centre of decision making.

There are many examples of good practice in family courts, including at my closest court in Croydon, but as we have heard, there is much more that can be done and lessons to be learned. In a number of cases protective screens, video links, separate waiting rooms and separate entrances are available where appropriate, but as we have heard, that does not always work. The Women’s Aid report details a survey of people who have gone through the family court system, highlighting areas of concern. Some 55% of the women said that they had no access to any protection measures in the court. Extraordinarily, 25% of the women had been cross-examined by their former partner during proceedings, including one woman who described how the man who had raped her, beaten her and abused her over a six-year period interrogated her for three hours in the court. Imagine what that poor lady must have gone through, revisiting all those experiences.

The survey reveals that 39% of the women were verbally or physically abused by their former partner while on the family court estate, 44% reported that the judge granted child contact to the father when they knew that the children had been directly abused by the father, and 76% reported that the judge granted child contact to the father when they knew that the children had witnessed domestic abuse.

I want to touch on two cases. First, I shall add a 20th child to that list—Ellie Butler, who lived her short life in Sutton in my constituency. Her parents met in a club in Sutton in March 2006. Ben Butler had a criminal record including violence, attempted robbery and intimidation of a witness. He also had a conviction for assaulting his former girlfriend. Within weeks, Jennie Gray was pregnant with Ellie.

The first time Butler was left alone with Ellie—when she was just six weeks old—she sustained minor burns to her forehead and hand. Shortly afterwards, when that was brushed off as an accident, Butler again looked after Ellie. That evening, he took her to St Helier Hospital—our local hospital—where she was diagnosed with injuries that suggested she may have been violently shaken. He was arrested on suspicion of grievous bodily harm, and the London Borough of Sutton started proceedings to have Ellie taken into care.

In January 2008, His Honour Judge Atkins found that Butler had been responsible for both sets of injuries and ruled out Ellie’s mother as a long-term carer. In August of that year, he awarded temporary custody to Ellie’s maternal grandparents, Neal and Linda. Butler went to prison, during which time Jennie Gray discovered she was pregnant again and hid the birth from the local authorities. In October 2009, Butler was released on bail and walked free on appeal after three judges ruled that his conviction was unsafe.

However, the quashing of the conviction did not automatically reverse the ruling that the parents were unfit to care for Ellie, so Butler went to war with the authorities, and three years later, Lady Justice Hogg made a decision that was to prove fatal for Ellie: not only did she return Ellie to her parents’ custody—brushing aside convictions, commenting that the violent behaviour that they related to was not directed at children—but went on to write in her judgment:

“It is seldom that I see a ‘happy end’ in public law proceedings. It is a joy for me to oversee the return of a child to her parents.”

Ellie’s grandfather, Neal Gray, was said to have warned her, “You will have blood on your hands,” and how prescient he was.

In addition to the judgment, Lady Justice Hogg made an order that meant that all files held by the authorities should be amended to include a prominent reference to the fact that Butler and Gray had been exonerated of any blame for Ellie’s injuries and, effectively, that they should proactively inform other agencies of Butler’s innocence. What can the agencies make of that? How can they be denied the ability to review what was happening when a clean sheet was restored to these people?
It was not long after Ellie went back that she suffered a broken shoulder. The parents sought no medical help as they sought to hide things from the authorities. Then, in October 2013, Ellie was found dead, at the hands of Ben Butler. The parents concocted a plot to cover up the real cause of death—even sending Ellie’s younger sibling to discover the body as part of the plot.

Ellie’s grandparents had not given up fighting for her. They fought hard for the custody of the two children. Unfortunately, Linda, Ellie’s grandmother, died the day the trial started, but Neil, the grandfather, continues to speak out against the ruling, which led to Sutton Council and other agencies being unable to do their job—and they did do a very good job, but with their hands tied. My heart goes out to Neil and his other grandchild. I was able to catch a moment with the right hon. Member for Carshalton and Wallington (Tom Brake), who has had to leave the debate. Both of us remain open for Neil to approach us, and we would like to support him in any way we can.

Another case is far too close to home for me. It involves someone I know very well, and the situation is ongoing—parents quite a long time after she was stripped her partner’s way. Her parents discovered that they were with that as best they can.

Knows that it will be 25 minutes, they can try and deal pressures, but the promise of a response in five minutes it took 25 minutes. Obviously, we can understand police five-minute response time. Unfortunately, the last time, when the police were looking to arrest him, her family for a non-molestation order while he was on police bail.

Child, but for the solicitor’s client. She could not apply knows how to make the best of the system—not for the system. Her former partner has a good solicitor, and he smashing the glass to get in the door.

Left and start again on her own, but that was not the way we can.

Anna soon found herself in a very controlling relationship—we have heard about control this afternoon—striping her away from her family and friends. He used drugs and was violent on occasions. She eventually had a child, but the situation continued to deteriorate, affecting the child’s upbringing and stability. Anna was helped by her partner’s mother eventually to leave and start again on her own, but that was the end. Anna found a tracker in her car. She was continually harassed and stalked, as were family members. Agencies were aware. The police were aware. She was in and out of police stations to give statements. He would pound on the door at night, jumping over the back fence and smashing the glass to get in the door.

Anna has had to learn so much for herself about the system. Her former partner has a good solicitor, and he knows how to make the best of the system—not for the child, but for the solicitor’s client. She could not apply for a non-molestation order while he was on police bail. When the police were looking to arrest him, her family could not find out whether he was actually detained, because of data protection issues.

The police have Anna on an alert list, with a promised five-minute response time. Unfortunately, the last time, it took 25 minutes. Obviously, we can understand police pressures, but the promise of a response in five minutes or 25 minutes makes all the difference when someone is trying to plan for these eventualities. At least if someone knows that it will be 25 minutes, they can try and deal with that as best they can.

Anna has the support of both families—her own and her partner’s. Her parents discovered that they were grandparents quite a long time after she was stripped from the family. They now have a wonderful, happy grandchild. Anna has become the most amazing mother in the face of such diversity, and her child is thriving. She is lucky; she could easily have found herself on the Women’s Aid list. I am so delighted that she has not, although the matter is nowhere hear closed.

Please let us do more to support the work of the groups associated with Women’s Aid. Let us do more to improve the response for people like Anna and children like Ellie. We cannot let them down. Looking at families, I know how helpless they feel in these cases. I cannot begin to imagine actually being involved at the heart of such abuse, as we heard in the case of Claire. It is really important that the police, the agencies and, of course, the family courts do everything they can—and that we work to make those agencies and family courts work—so that these tragedies cannot happen again.

1.45 pm

Jess Phillips (Birmingham, Yardley) (Lab): I want to start on a positive note in a debate that has so far been incredibly moving—even to those who are the most battle hardened and battle weary, like myself. The positive is that, this morning, the Government released information about the protection of women’s refuges from some of the changes going ahead to housing benefit legislation, and I pay credit to the Government for finally listening on that issue.

On these matters, we must work together in the House, and the stories that we hear today have got to go some way to getting change in this area. This is now our next fight, and I think it is a fight the public are going to get pretty involved with because I believe “The Archers” is about to enter the family courts, if what Rob Titchener said at the end of the episode on Friday is anything to go by. That has done a huge amount to raise awareness of the issue, and the family courts really need some of that.

I pay huge credit to my hon. Friends the Members for Penistone and Stocksbridge (Angela Smith) and for Hove (Peter Kyle) and the right hon. Member for Basingstoke (Mrs Miller) for securing the debate. The testimony about Claire’s story from my hon. Friend the Member for Penistone and Stocksbridge was incredibly moving.

We have heard heartfelt and heart-breaking accounts of what is happening to victims of domestic violence in the family courts, and this debate is incredibly important for a number of reasons. The first is to send out a rallying cry to all the victims in this country and their children that, down here, in this bubble, we can hear them. The family courts in this country—for those who have never had anything to do with them, and for most of the people who have—are incredibly secretive. They are wrapped up in confidentiality, with children being called P1, P2 or X4. For that reason, the family courts get no media attention, and it is difficult to report on what goes on there. So, today, here in this place, is our chance to flood that darkness with some much-needed light to see what our institutions are really doing for the people in the UK.

Gloria De Piero (Ashfield) (Lab): Does my hon. Friend agree that there is still much, much work to be done to ensure that the police get the cases to court? My constituent Louise suffered the most terrible abuse but has never had that day in court. That is not just a personal tragedy for her but a national scandal for us all.
Jess Phillips: I agree entirely with my hon. Friend. Actually, in this place, we have some reasons to be really proud of the efforts that have been made by successive Governments, year in, year out. The laws in this country are relatively good when it comes to domestic violence. Where we fail, time and again, is in how we implement those laws. We do not need to look much further than very many reports assessing how the police handle cases of domestic violence to see that we need to do more. Sometimes, in this place, we make up laws that open an enormous door into an empty room. That is a problem for victims.

I want to say something to the victims who may be watching this. Lots of them have been in touch with me to say that they want their stories to be told and heard. The most important message, which I am sure that everybody in this place wants to say and which victims of domestic and sexual violence rarely hear, is, “We believe you.” If every single one of us could tell everybody to stand up and say those three words—“We believe you”—we could change things for victims of domestic violence, who are frequently disbelieved by every agency they are put in front of.

The second reason this debate is so important is to educate ourselves as legislators. My hon. and very dear Friend the Member for Hove and I have chatted about this subject many times over the past six months. On many occasions, he has bounded up to me and said that he has been stunned by a case that he has, as though it is the worst case in the whole world. I am sure that he will give voice to some examples of those very shocking stories. He is always so shocked, horrified and angry about every case. For me, these cases have become more expected. My years of working with victims of violence have in many ways numbed me to some of them—although I am only human.

Mrs Moon: My hon. Friend talks about her years of working with victims of domestic violence. I, too, worked in that field, and one of the things that I found most frightening was that courts tend to think of domestic violence only in terms of bruises or injury. “The Archers” has been brilliant at showing the impact of coercive and abusive behaviour, but there is an incredible naivety in believing that coercive and abusive behaviour to mothers would not also happen to children. If legal aid were available, it would be huge help to those women in protecting themselves.

Jess Phillips: I could not agree more. I will come on to the legal aid issues in a minute.

The Government have tried, through the law, to address coercive control, but we are not far enough down the line with that legislation to see whether it can deal with something so complex. To me, it is actually not that complex. We are always making the excuse that it is difficult to understand, but I do not find it difficult, so I am not sure why I am constantly cutting everybody some slack on this. We should be able to understand the constant gaslighting that goes on. “The Archers” has definitely achieved something. In the case of Henry, the small boy in “The Archers”, there is no doubt that that child has been coerced and controlled. It is harrowing; I feel chill even thinking about it.

Going back to my lovely hon. Friend the Member for Hove, on one occasion he ran up to me and said, “Jess, I just do not understand why people are still walking around in the street. How can they carry on with their lives when this is happening? Why are they not screaming out about the awful family court system?” Today, in this place, we have a chance to help colleagues, and, most importantly, Government Members, to see what we—all of us as a country—are sanctioning in our court system. Here, in this place, we have the power and agency to change this, for every victim in the country and especially for all the victims whose children have died. We must use our agency to do what they would do in a heartbeat if they were any near as privileged as every single one of us.

On our agency to change this, I turn to the report of the all-party parliamentary group on domestic violence, in conjunction with the report from Women’s Aid cited in the motion. I ask the Minister to give us some assurances about what we are going to do about this. I know warm words—I say them myself—but I want hard actions. The right hon. Member for Basingstoke and I had attempted to begin this conversation with the previous Justice Secretary. However, politics is a fickle game, and so it now falls to a fresh Justice Secretary to make her mark on the job.

It is important to state that we could be considered to be breaking the law on these issues in the UK. As a member—for now—of the European Union, we signed up to specific directives on protecting victims. One directive explicitly states that we must uphold the protection of victims within our court system and contact with offenders must be avoided. For example, all new court buildings that are built—chance would be a fine thing at the moment—must have separate waiting areas. Every day in the UK, we are breaching that law. We will hear today about victims who are not just in the same waiting area but are allowed to be cross-examined, even bullied, by the very people who have abused them for years. In the criminal courts, this would be considered a severe breach of human rights. It would also completely fly in the face of the “achieving best evidence” standards, and most likely the evidence would be thrown out.

For years, people in this place, before they came here, campaigned to have children taken into video rooms. We got partitions and separate waiting rooms: those things have all happened. A quarter of the women surveyed by Women’s Aid were found to have been directly cross-examined in the family courts by their abuser. This is increasing as a direct result of the cessation of legal aid and the rising number of citizens acting as litigants in person. When, a number of months ago, I asked the Justice Department for figures on the number of litigants in person in the civil and family courts, I was told that it does not monitor that information. Might I gently suggest to Ministers—I am in a good mood because they have done something good today—that that is simply not good enough. We have to look at the trends in what is happening in our courts.

There is a pervasive myth that family courts are unfairly biased towards mothers. I think we will hear today all sorts of examples of why that is not the case. It does not matter how many times people scale buildings dressed as Spider-Man—women are still badly treated in our family courts system. This is especially pertinent with regard to those with a history of domestic violence. The domestic violence APPG inquiry found that there is no evidence to suggest that women are favoured. On average, only 1% of applicants to family courts have
access refused: only 1% are told that they can no longer see their children. Seventy per cent. of all cases in front of the family courts are victims of domestic violence. So, in 1% of 70% of all cases, people are told that they cannot see their children. In three quarters of cases where courts have ordered contact with an abusive parent, children suffer further abuse. Some children have even been ordered to have contact with a parent who has committed offences against the children themselves. As we have heard, children have even been killed as a result of residency arrangements.

I want to stress that an abusive partner can force a victim into the family court, or in fact any civil court in the UK, as many times as they like. This is not a judgment that they get handed down, their case falls, and then they do not get another bite at the cherry—they can go to court as many times as they like. They can chase a woman around the country making the same claim against her, and nothing will stop that. There is no doubt that in many cases violent perpetrators use the family court system not to get their children back but to continue stalking and continue a reign of terror.

The domestic violence APPG has seven recommendations that would dramatically improve the lives of women. They fall almost exclusively in line with the report from Women’s Aid. We want to see victims and children protected and respected in our courts—at the very least to the same level that we have in our criminal courts. I have a copy of the recommendations that I can hand over to Ministers today. I really hope that they will listen to what they are hearing and act, as some of their colleagues have today, to do the right thing.

1.59 pm

Melanie Onn (Great Grimsby) (Lab): I congratulate my hon. Friend for bringing this debate to the Floor of the House of Commons. I acknowledge Women’s Aid for the protection and support it provides to women and children, and for all the vital work it does to highlight the suffering caused by domestic violence. In particular, I pay tribute to Denise and all her staff at Grimsby Women’s Aid, and all the women I have met there. They are amazing and, despite some real tragedies and difficulties, they continue to face life with bravery and extraordinary good humour.

Several victims of domestic violence have come to my surgeries in Grimsby looking for help because they feel they have been let down. They feel that the whole system is stacked against them. They are the ones who have to move out of the area they lived in. They are the ones who have to provide the burden of proof; that all falls on them. They are the ones whose parenting is constantly questioned. They are the ones who live in fear of abuse and in fear of losing their children. They are the victims, but too often they feel that they are treated with suspicion rather than compassion, and that they are made to feel as though they are the guilty party.

The way in which family courts operate reveals a real lack of understanding of the situation in which victims of domestic violence find themselves. As we have heard in many testimonies today, victims clearly should not have to share a waiting room with their abuser, and they should not have to face cross-questioning from them. As the right hon. Member for Basingstoke (Mrs Miller), who has just left her place, mentioned earlier, it is too difficult for individuals to be faced with their abuser in a small space.

I want to thank Rochelle, one of my constituents, for allowing me to use her name—in fact, she was insistent that I use it—to highlight her very personal and individual difficulties, which represent the difficulties of so many women. She fled her abusive partner, yet she has been forced to face him in court several times during the last six years. He is using the court system to gain access to her, and as a means of getting around the restraining order. The courts have failed to provide security at their meetings. She has been made to sit at the same table as her former partner in a small room, and he has taken such opportunities to make horrendous sexually derogatory comments to her. This man had twice put her in hospital while she was pregnant. She should never have to be in the same room as him again, but she feels that the family court forced her back into the perpetrator’s presence and under his control. In addition, she has had no access to social housing, because the local authority deemed her to have made herself intentionally homeless, after having fled her home. That is incredibly common. As we have heard, she is not alone in being in such a situation.

Seema Malhotra: I thank my hon. Friend for her speech. She has highlighted a very important issue, which has certainly become increasingly apparent to me from my casework, about the training given to local authority teams—sometimes in social services and sometimes in housing—that deal with family issues involving domestic violence or domestic abuse. Does she agree with me about the importance of awareness, training and leadership in local authorities on such issues?

Melanie Onn: Absolutely. I agree with my hon. Friend that training plays a big part, and there is a lot more that could be done with cross-agency working and understanding.

When I visited a school in my constituency recently, I was really shocked to hear a support worker—she has worked in a school for nearly 30 years, and lives in the community in which she works—say she believed that about one in five children at that school were in families that had experienced domestic violence. The figure is shocking in itself. On the positive side, however, she said it was very important in a school environment that children should feel they have a safe space, where they feel they have good relationships with and can open up to the staff. My hon. Friend’s point about training applies to schools as well.

I believe that a lot of this is unreported violence. Will the Government consider how they can give people greater confidence in the system? People also need to recognise violence in the household as a problem. I think some people accept it as part of a volatile relationship and may not even recognise it as domestic violence. That is where the coercive element also comes in. That makes me believe all the more that good relationships education in schools can help children to realise that those are not normal relationships, and that that is not how loved ones behave towards one another.

Before the summer, I tabled some parliamentary questions relating to the effect of domestic violence on the children who are subject to it or who witness it, and
I am very concerned that the Government do not seem to be sufficiently interested in that subject. I asked how many children the Government estimate live in homes where domestic violence occurs, and how they believe the educational attainment of children who experience domestic violence is affected. The answers I received from the Department for Education stated that, although it counts the number of referrals to children’s social care in which domestic violence is a factor, its figures do not include all children who experience domestic violence, and it does not publish attainment data for children who have been referred. Would not greater cross-departmental work ensure that domestic violence is better understood, highlighted and prevented? I worry that those answers show a lack of urgency in tackling this problem.

Finally, and quickly, I want to raise an issue that another constituent brought to me in relation to the Concentrix debacle that is currently being uncovered. A woman with two children had her tax credit money stopped two weeks ago because she had been subject to a random check. She was told she was suspected of living with a partner. Concentrix would not disclose the name of the person it suspected to be living with her, and it would not make any home visits. She is a single parent, and she has been left to evidence the fact that she is single. She has now been forced to use food banks and to have meals at her parents’ house, and she has received assistance with her children’s school uniform costs. This is particularly difficult because my constituent is a victim of domestic violence. She has had to set up her life again from scratch to make sure that she and her children are safe. Again, it feels as though the state and all the agencies involved are working against her having a fresh start.

The lack of sensitivity, awareness and preparedness across state agencies—from the welfare system to family courts, as well as the police and the education system—lets down children and victims of domestic violence, and leaves them feeling as though the whole system is working against them.

2.7 pm

Peter Kyle (Hove) (Lab): May I join the chorus of approval and gratitude expressed to my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) for securing this debate? Not only did she give a voice so effectively to a family who so desperately wanted that to be done, but she set a tone for this debate that is very much appreciated by all of us following her. I thank the right hon. Member for Basingstoke (Mrs Miller), who spoke brilliantly. She joined in making a pitch for this debate. I also thank my hon. Friend the Member for Birmingham, Yardley (Jess Phillips), who was present for the pitch for this debate. As a member of the Backbench Business Committee, she could not join in with it, but I could tell from her unrestrained facial expressions that she was offering support in many other ways during the process. Those Members and others in the Chamber today have championed victims of domestic abuse in Parliament, in Government and on the front line respectively. Together, they bring a wealth of advocacy experience to this debate.

I must admit, with some shame, that I came to realise the true brutal horror of domestic violence only relatively recently, when I became a Member of Parliament. Shortly after the election last year, I was in my office sifting through the rubble of my campaign, when a woman walked in and asked if I was her new Member of Parliament. When I said yes, she told me that she had just fled her partner, after suffering the latest in a long series of very brutal attacks. She sat, bruised and shaking, and said that she was ready to move on, but that she needed help. She did not trust the police, so she had turned to me. That was my first experience of someone turning to me for help as an MP, and it was the first time I had sat down with a survivor of domestic abuse.

Since that time, I have got to know many women who have survived violent relationships, and I have tried my best to be the best advocate I can for them. It is through meeting and listening to survivors that I first came to understand how our family courts are being used to perpetuate abuse against extremely vulnerable women. Eighteen months ago, I did not know that a convicted criminal could represent himself and cross-examine the victims of his crimes over and over again by using the family courts. How could I get to this age and not know that? Why is it that so few people I talk to have the faintest idea this is going on daily in the British legal system?

One constituent I am in regular contact with has been cross-examined by her former partner on three separate occasions. The man who beat her, broke her bones, battered her unconscious and hospitalised her, and who was convicted for his crimes, still has the right to summon his victim to court for a spurious custody hearing. He will never win the case, but that is not the point—he is victorious the second he steps into the courtroom, because in that instant he gets exactly what he wants, which is to continue to inflict violence and abuse on a woman who has already suffered more than most of us could ever imagine.

Mrs Moon: Is it not important for the courts to understand that they are being manipulated in that way? The courts ought to record how often an abuser deliberately uses the courts to inflict further abuse. Concentrix should also be aware that when it receives reports of an unreported adult being in the home, it may well be the abuser carrying on the abuse by making false reports. It should take action to investigate that before it cuts off the benefits.

Peter Kyle: My hon. Friend makes an incredibly important point. The fact that many of the men who inflict this violence are not only extremely manipulative, but extremely careful in the way they manipulate people and systems, means that far more effort should be put into understanding the victims, who can explain the type of behaviour the courts are dealing with. If we did that, a lot of heartbreak and violence would be avoided.

Another constituent told me that she was shaking so violently after a family court hearing that she had to be assisted to the taxi. Soon after leaving, the taxi had to stop to allow her to open a door and vomit.

Those of us who have not experienced it cannot comprehend the fear that survivors suffer. It is all-encompassing and ever present. The prospect of seeing the man who reigned with such terror causes paralysis. The faintest possibility that the abuser could get access to personal details—addresses, bank account numbers or even medical records—is overwhelming. What is
most grotesque is that abusers know this. They know that the family courts can be used to torment their victims, and in some cases they do so with unrelenting brutality. When one listens to survivors describing their experiences of being summoned, approaching the hearing date, being cross-examined by their abuser and dealing with the aftermath, one simple truth is inescapable: the language and vocabulary with which they describe their family court experience is identical to how they describe the violence they experienced in the relationship they bravely escaped.

It should shock everyone that the family courts are being used in a way that inflicts, not ends, violence against women. Worst of all, from the abuser’s perspective, it works. One constituent told me last month that she was dropping harassment charges because there was a good chance that her abuser would gain access to her mental health files because he had chosen to represent himself. She could not bear the thought of him reading, and being gratified by, such intimate and personal information. Another told me that she simply could not face another cross-examination by her convicted abuser. She had been medicated in order to endure her last experience, and the recovery from it took weeks. She told me that if he tried again, she would capitulate and give him whatever he demanded simply to avoid the experience. She said:

“I simply do not have it in me to survive another cross examination”.

If there is one example that sums up the sheer horror of abuse and its continuation in the family court, it is that of Jane Clough. Jane was in an abusive and violent relationship until she finally took action and went to the police. Her ex-partner, Jonathan Vass, appeared in court charged with nine counts of rape, one of sexual assault and three counts of common assault. Some of this had taken place while Jane was heavily pregnant with his child. Inexplicably, Judge Simon Newell decided that Vass was not a threat and freed him on bail.

Jane lived in so much fear that she moved in with her parents for comfort and protection. Vass eventually found out where Jane was working and, in July 2010, he attacked her as she headed home from work. He stabbed her 19 times and then slashed her throat—wounds from which she died. The next day, he was arrested approaching Jane’s parents’ home. He was on his way to murder either his baby child or Jane’s parents, or both.

I have had the honour of talking to Jane’s parents and sister. They are a family whose grace and dignity shine above the horror they have endured. However, there is more to this terrible episode and they are desperate for people to hear about it and learn from it. Once in prison, Vass began demanding parental rights over his child. This was the child whose mother he had beaten and murdered, and the child he would, in all likelihood, have murdered if only he had had the opportunity. None of us can imagine the pain this caused Jane’s family, but it gets worse still.

Jane’s sister began adoption proceedings in order to break the link with Vass. From that moment onwards, the family experienced a legal system that was stacked in his favour, rather than the baby he had tried to kill. Without access to financial support or legal aid, the family had to find separate representation for the baby and the rest of the family. Had a legal firm not donated pro bono representation, they would have had to sell their house to cover the costs.

A five-day hearing was scheduled in the family court, and the family were informed that Vass had exercised his right to self-representation. The man who had brutally murdered their sister and daughter would be cross-examining them. Jane’s sister told me that she simply cannot find the words to do justice to the brutalising effect this had on her as the court date approached. On the day of the hearing, they were informed that he would be appearing by video link, but they were stunned to discover that this was because of concerns for his safety and had nothing at all to do with the wellbeing of the family. As Jane’s sister told me,

“It was so shocking. It was all about him—what was best for him, how best to protect his rights. Nothing was balanced against our rights.”

During the cross-examination, Vass asked personal questions of the family members. He asked Jane’s sister, in reference to the baby,

“What will you tell her about me?”.

He asked her husband:

“What makes you think you can be a dad to my daughter?”.

The trauma meted out by the family court process is simply inhuman. This family had suffered enough.

The family have asked me to pass on their thanks to two advocates who have made a difference to them during and since these terrible events. The first is Dame Louise Casey who, as Victims Commissioner, learned from their experiences and took steps towards greater recognition for victims in the family court. The second is my hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer), who joins us here today. As Director of Public Prosecutions, he got to know the family well and they speak in the highest possible terms of him and his advocacy for them.

Progress has been made, but it has been glacial. We have not seen the transformation that is desperately needed. The abuse and brutalisation of women and families is being perpetuated via our legal system. To abusers, the family court is simply another tool through which to extend their hate, their violence and their control of extremely vulnerable women—exactly the kind of people the state exists to protect. Every day that these practices are allowed to continue, shame is heaped on our system of justice, on this House and on our Government, because we have the power to stop this happening and yet it continues.

2.18 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I, too, thank the hon. Member for Penistone and Stocksbridge (Angela Smith) for securing this important debate and for her moving speech. I pay tribute to the other Members who have shared moving stories of their constituents’ experiences.

I commend Women’s Aid for the publication of the “Nineteen Child Homicides” report. It makes for harrowing reading, but as legislators, we must not stay silent on the issues it raises and we must speak up for the children whose safety, wellbeing and lives are being put at risk by unsafe and poorly risk-assessed contact with parents who are known perpetrators of domestic abuse. The fact that
over the past 10 years in England and Wales 19 children have been murdered, two mothers have been murdered, two further children have faced attempts on their lives and seven fathers have killed themselves after killing their children indicates that there are systemic shortcomings in the approach to family contact that need to be addressed.

I wish I could stand here and say that all is rosy in Scotland, but in reality we face very similar challenges. Obviously, we have always had a distinct legal system, and since devolution the Scottish Parliament has had responsibility for legislation and policy in this area. In some respects, we have a fairly robust legislative framework, but its application sometimes falls very far short and we know that there is a lot more to do. I am glad that Nicola Sturgeon announced last week that a new domestic abuse Bill will be part of the new programme for Government. There is recognition that psychological abuse and coercive and controlling behaviour can be hard to address under our existing laws, and proposed new legislation will seek to put that right.

As understanding of coercive control has grown, however, it has given rise to difficult questions about child contact arrangements and the extent to which abusers can use them and court procedures to continue to exert control over a former partner and their children. The underlying issues on both sides of the border are very similar, and I want to highlight the shortcomings in the implementation of our existing legislation and identify those areas where new legislation or regulatory guidance could strengthen the safety and wellbeing of children and limit the opportunities for former partners to perpetrate further harm.

Section 24 of the Family Law (Scotland) Act 2006 refers to orders made under section 11 of the Children (Scotland) Act 1995, and rightly puts child welfare and children’s interests as a priority. The law states clearly that when a court is considering the welfare of a child in relation to parental rights and responsibilities, it must take into account the need to protect the child from any abuse, or risk of abuse, that affects, or might affect, the child. It also states that courts must take into account the effect such abuse, or risk of abuse, might have on the ability of the person who has carried out the abuse to care for, or meet the needs of, the child, and the effect that any abuse might have on the person carrying out those responsibilities.

When a parent raises an action for contact or residence for their child, the court is also under a statutory duty to give the child the opportunity to express his or her views, “taking account of the child’s age and maturity”, and it has to “have regard for such views” as he or she may express, giving them due weight relative against the child’s age and maturity. That ensures that the legislation complies with article 12.2 of the UN convention on the rights of the child.

So far, so good. Unfortunately, however, that is not how it always works in practice. I fear that the law is not being consistently applied; that it can still prioritise the rights of a parent with a history of violence over the wishes of children; and that it takes inadequate account of their safety and scant account of the safety of the parent with care.

Earlier this week, Edinburgh University hosted a conference that grappled with some of the difficult issues regarding child contact. I was not able to attend, but one of the keynote presentations was made by the Rev. Tracey Hart, who last October was sentenced to 12 months in jail for contempt of court, having been accused of attempting to keep her children away from their father, who press reports suggest is a convicted murderer with a history of violence. Ms Hart spent eight days in jail before being freed on appeal. The Appeal Court judges ruled that the sentence was “incompetent” and said that she should never have been convicted in the first place, much less jailed.

What disturbs me most is that not one, but two sheriffs were involved in those outrageous proceedings. That brings home to me that we are still battling vestiges of an institutional and attitudinal culture where the dynamics of coercive control are very poorly understood; where the impact of domestic abuse is underestimated; and where the voices of children are diminished. The experience of Tracey Hart and her children suggests that, in some parts of our judiciary, parental rights still override the wellbeing and safety of children. Children’s own rights to have their voices heard and respected are not taken seriously enough, and mothers who seek to protect themselves and their children form abusive and dangerous former partners are still seen in some quarters as bitter or vindictive troublemakers. Despite the law being unambiguous, we still seem to have some way to go to ensure that all sheriffs are properly equipped to preside over such cases.

Tracey Hart has been extremely brave in speaking out, but another troubling issue that arises from her experience is the extent to which court processes and the child contact arrangements ordered by courts can be used by abusive ex-partners to continue to perpetrate abuse. That point very much echoes the comments of previous speakers. We need to ask whether contact arrangements are sufficiently robust in protecting families form further abuse, and to find ways to prevent contact from becoming the vehicle through which an abusive ex can continue to abuse their former partner. We need to look at how contact is properly risk-assessed; how staff in courts and contact centres are trained to spot signs of controlling and manipulative behaviour; how a safe environment is maintained; whether new regulator guidance needs to be introduced; and how we can really put the interests of the child at the heart of decisions.

At the moment, there is a presumption that contact with parents is a good thing, but if a parent has a history of violence and abuse, is that really the case? I do not think that we have yet got the balance right. Tracey Hart says that her children were reluctant to spend time with their father. A psychiatrist’s assessment of her children indicated that contact was damaging their mental health, and she describes her elder son even vomiting before a contact session. But those children were still compelled to attend sessions and cajoled by staff into spending time with their father when they did not want to do so.

Frankly, that is just not good enough. We need to ensure that all parts of these islands become a safer place for those fleeing domestic abuse. It is incumbent on every single one of us to name these abuses of power for exactly what they are, and to speak out on behalf of
those whose lives are damaged and endangered under present approaches. We can and must do much better. I hope that Ministers are listening and that we will do so.

2.26 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): Before I begin my speech, I would like to pay tribute to the Backbench Business Committee for bringing this debate forward, and to other hon. Members for the moving testimony we have heard today, particularly the hon. Members for Penistone and Stocksbridge (Angela Smith) and for Sutton and Cheam (Paul Scully), who told us harrowing tales of their experience with constituents.

This extremely important debate follows in the wake of the publication of the Women’s Aid report, “Nineteen Child Homicides”. There is no doubt that much more reflection and circumspection is required on the experiences of those who have been subject to domestic abuse and how they are treated in family courts.

“Nineteen Child Homicides” tells the tragic and appalling stories of 19 children, all intentionally killed by a parent who was also a known perpetrator of domestic abuse, over a 10-year period. Those killings were made possible by unsafe child contact arrangements, both formal and informal. Shockingly, the report uncovers a range of concerns with the system of managing child contact, including routine failings to follow legal protocols and a lack of professional understanding of the power and control dynamics of abuse.

Domestic abuse itself has not been a criminal offence, so single incidents are prosecuted under a range of offences, such as common assault or rape, although there is a new criminal offence in England of coercive control. However, because it may prove difficult to prosecute that kind of abuse in a court of law, the First Minister has announced a new domestic abuse Bill as part of the Scottish Government’s programme, putting Scotland at the forefront of nations in tackling the true nature of domestic abuse. The Bill will criminalise psychological abuse and provide a range of associated measures to modernise the justice system and how it responds to domestic abuse. The issue is being debated in the Scottish Parliament this very day.

Although it is clear that domestic abuse is under-reported, there is a growing understanding of the damaging impact that non-physical forms of abuse can have on those who are subject to it. They include methods of control and even threats to harm others, including children.

In Scotland, the creation of a new offence of domestic abuse is an extremely important development, and I urge the Minister to reflect carefully on it. Creating the offence has the potential to have a significant impact on how society views domestic abuse, by ensuring that there is clarity about what is unacceptable under the law. That will make the efforts of the police and prosecution services much more effective in dealing with domestic abusers. Importantly, it will also bring clarity to those who have been subjected to domestic abuse that the justice system is focused on their needs and those of their children. Protecting people in abusive relationships, and their children, which we have heard so much about today, must be the overriding objective.

We spend a lot of time in this Chamber talking about children’s literacy and education and, indeed, even their obesity levels, but before we can tackle any of those issues we must ensure that sufficient measures are put in place to keep them safe from harm—even, when necessary, from an abusive parent; family courts must be mindful of that.

Where domestic abuse is an issue, it has to be presumed that contact with the abusive parent is not in the best interests of the child or the non-abusive parent who could be required to leave them in considerable danger. It is important that the family courts consider the parenting capacity of the abusive parent and the likely impact of past and future abuse on their ability to parent their child safely and on the safety of the non-abusive parent.

It is absolutely vital that family courts prevent further child deaths by always putting children first in family courts. This really requires something of a cultural change within the family court system to ensure that the safety and wellbeing of children and non-abusive parents is understood and consistently prioritised. We have heard plenty of cases today in which that has apparently not been the case. Where a partner is in an abusive relationship, children in the household are not safe either. That is an obvious reality towards which all the evidence points.

I would urge the Minister to look carefully at the measures being put forward by the First Minister in Scotland. It does not matter from where Governments learn or which examples they follow; the only thing that matters is that lives are improved or, as we have heard today, that lives are saved, most specifically the lives of children. The “Nineteen Child Homicides” report should give us all pause for thought. One child killed by a parent or carer is one child too many. These children have no voice; we must be their voice. We must ensure that our justice systems—in all corners of Scotland and all corners of the United Kingdom—serve our children well and keep them safe.

2.31 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): I begin by congratulating my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) on securing this important debate, and by paying tribute to her constituent, Claire Throssell. As a Sheffield resident, I well remember hearing the shocking news of the murder of her two sons, Jack and Paul, and being horrified to find that this came at the hands of their own father—a man known to the authorities for his history of domestic violence. I am inspired by the bravery Claire has shown since that tragedy in working with Women’s Aid to raise awareness and push for change in the way that the family courts operate. I am pleased to see so many Members joining in her struggle in today’s debate.

Sadly, what happened to Claire’s sons was not an isolated event. As we have heard, between 2005 and 2015, 19 children in 12 families were killed by perpetrators of domestic abuse. All the perpetrators were fathers to the children that they killed. All of them had access to their children through formal or informal child contact arrangements. As the Women’s Aid report makes clear, the blame for these deaths lies solely with the abusive fathers who killed their children. The failures of the family court system do not in any way detract from that.
Nevertheless, we must acknowledge that, when it comes to cases involving domestic abuse, the family courts too often fail to put the safety of children and abused partners first, potentially exposing them to further risk. The Ministry of Justice practice direction 12J, “Child Arrangements and Contact Order: Domestic Violence and Harm”, puts a clear onus on the family courts to put the safety and best interests of the child first when considering child arrangement orders in cases where domestic violence or abuse has occurred. This guidance, one would think, is simple common sense. Unfortunately, it is not always properly implemented.

Family courts understandably take the view that a child should have sustained contact with both parents. Clearly, in the majority of cases, this could be the desired outcome. The problem arises in many cases where domestic violence is a factor—where contact with an abusive parent is likely to lead to further harm to the child, but that is outweighed by the perceived importance of maintaining contact with both mother and father. In other words, the belief is that a child's best interests are to have safe contact with both parents. Although that is usually the case, it has become an accepted part of family courts which family courts find it difficult to deviate, even for the child's own safety.

What is more, this skewing of priorities is encouraged in part by legislation. The Children and Families Act 2014 enshrines in law the principle that contact with both parents is best for children. As I say, while this is certainly the case for the majority, it does not recognise that, in circumstances where a parent has a history of domestic violence, such contact can put the child in harm's way.

Whenever there are allegations of domestic abuse, there must be a serious assessment, authorised by the court and carried out by experts, of the implications for the child's and the non-abusive parent's safety. For too long, the abuse of a partner and the safety of children have been viewed as two separate matters by the courts. We must encourage a courtroom culture that views them as part of the same issue.

Women's Aid is calling for national oversight of the implementation of practice direction 12J, and I urge the Minister to look carefully at how we can bring about a shift in the thinking of the family courts so that child safety is put back at its heart. It is not just the decisions of the family courts that are in need of scrutiny, but their working practices, too. While victims of domestic abuse can be provided with a number of protections when in criminal court, such as giving evidence from behind a screen or through a video link, these are not available in family court.

On top of that, thanks to the Government's cuts to legal aid, more and more people going to family court are forced, through lack of funds, to represent themselves rather than take on a solicitor. The National Audit Office estimates that there has been an 80% increase in the number of cases taken to the family courts where one of the parties is not represented by a legal professional, and a 30% increase in cases where neither party has such representation.

The upshot of all this is that it is increasingly common for victims of domestic abuse not only to have to face their abusers in court, but to be directly questioned by them or their legal representatives. Thankfully, there is a greater understanding now than there was in the past that abuse within relationships does not only take the form of physical violence. We know that intimidation and coercion are just as much a feature. It takes a great deal of courage for those suffering from domestic abuse to break free from these relationships, and we must ensure that they are offered all the support and encouragement that can be muster. What they should not have to put up with is facing their abuser's questioning directly in court, and being placed in a position in which the intimidation they have escaped from is inflicted on them once again.

The protection that applies to criminal courts should likewise apply to family courts, and I trust that the Minister will take some time to reflect on the ordeal that appearing in these courts so often is for the victims of abuse. Above all, I urge the Minister to instigate a full review, as other hon. Members have called for, based on the reports submitted by Women's Aid and the all-party parliamentary group on domestic violence. We must ensure that Jack and Paul and all other victims are never forgotten.

2.38 pm

Alison Thewliss (Glasgow Central) (SNP): I pay huge credit to all the speakers who preceded me in the debate, particularly the hon. Member for Penistone and Stocksbridge (Angela Smith), who spoke about the heart-breaking case of her constituent, Claire Throssell. I am absolutely in awe of her strength and her dignity in the face of unimaginable trauma. I am glad that we can be part of putting Jack and Paul's names on the record today. I would also like to pay tribute to the amazing Women's Aid organisations across these islands, particularly Scottish Women's Aid, which assisted me in preparing for this debate and works daily to support women and families through the ordeal of domestic abuse. It has told me that child contact issues are still a huge problem. I also pay credit to Glasgow women's aid and the Glasgow rape crisis centre for the work they do to support women, which includes going through the court process. Long for the day—I am sure we all do—when women and children can live their lives without fear, but until then I am glad that these organisations and their committed staff and volunteers continue to carry out their vital, life-saving work.

The Scottish Government are responsible for child protection in Scotland. Members may be aware that a debate is also happening in the Scottish Parliament today on the proposed new domestic abuse legislation, building on the excellent work of the Equally Safe strategy. There is ongoing work from the Equally Safe group on all areas of gender-based violence. I commend all partners involved for continuing to strive to make improvements in policy in Scotland.

The proposed Bill in Scotland will create a new offence of domestic abuse. It will include criminalisation of psychological abuse such as coercive and controlling behaviour, which can be difficult to deal with under existing laws. It will also ensure appropriate penalties are available to deal with domestic abusers, and it will provide a range of associated measures to modernise the justice system to respond to domestic abuse.

In Scotland, we already have the Victims and Witnesses (Scotland) Act 2014 which allows special measures in courts, automatically in criminal cases and by application in civil cases. That can be very important. I have spoken to a number of the organisations involved in this, and it does help hugely to have these measures in place.
The basis for the system is good, but, sadly, Scotland is not immune from the difficulties described in this debate. Our court processes are not yet perfect, and this is reflected in the lived experiences of women and children going through this system. Scottish Women’s Aid tells me it remains concerned by the situation in the courts, where women are not believed and their experience of domestic abuse is downplayed. The significance of being able to tell your story and be believed is huge. Women are consistently undermined by abuse, their confidence shattered. Even getting as far as going to court is a massive ordeal. For the legal process then to remove any last part of dignity a woman has is unforgivable.

As the hon. Member for Penistone and Stocksbridge and others have mentioned, there also exists an artificial separation between an abuser’s actions and their ability to carry out their role as a parent. It would seem entirely logical to most people that if someone is of a mind to abuse, threaten, undermine, rape and control their partner, their ability to care appropriately for their children would come into question. That is not always the case, however, and the notion that a court would decree that contact with a parent who has demonstrated their capacity for violence is more important than the safety of that child terrifies me. I have had testimony sent to me by Women Against Rape in that respect, which in the interests of time I will post on Twitter later.

The prospect of having to deal regularly with an abusive ex-partner is incredibly daunting. Scottish Women’s Aid has said to me that the court process “denies women and children their right to be protected and recover from abuse. The processes and decisions in our...courts are guilty of re-victimisation.”

This issue of re-victimisation is very important and needs to be looked at right across government—right across the practices we have. Concentrix was mentioned earlier, and the fact that it puts people in a position where they are being re-victimised. Benefits tribunals can put people in that situation, too, where their experiences are called into question. The Department for Work and Pensions is in that position as well. I will mention here, as I have mentioned many times before, the issue of universal credit and household payments. I will also mention the two-child policy and the rape clause. That a Government Minister, Lord Freud, could tell me in a meeting that he thought women suffering from domestic abuse should just flee is deeply worrying, and the Government need to reflect right across government on how we value women and children and how we make sure they are protected in every aspect of their lives.

The views of children must be taken into account, too, because they experience the trauma of domestic abuse and can carry that through their whole lives. Their voices are not always heard as they should be. A new project, Power Up: Power Down, is currently under way with Scotland’s Commissioner for Children and Young People in partnership with Scottish Women’s Aid. Looking at this in that way has the potential to change how court processes are carried out, to allow young people’s voices to be heard, and to allow them the chance to determine what would make them feel safest, and what their needs and desires actually are.

They do not want to be put in a position where they are in fear of their lives, and where they worry about the impact on their mother of their going to visit an abusive parent.

Finally, I would like to read from a card from the Recounting Women project, which Scottish Women’s Aid and other women’s aid agencies in Scotland have carried out. It is a participatory photo-voice project allowing women to share their personal experiences of domestic abuse and it is available online as well:

“This is the Sheriff Court where I experienced so much injustice, including unsupervised visits and Bar Reports that weren’t fair for me and my children. How much abuse can a father do to a child that puts his children out on the street, changes the locks, puts their clothes outside in bin bags. Then they force the children to see their dad while I’m trying to help them forget the trauma.”

I ask Ministers to reflect on this, and for us all to reflect right across government on how we can help women and children to be safe.

2.45 pm

Keir Starmer (Holborn and St Pancras) (Lab): I, too, congratulate those who secured this debate and everybody who has spent so long working on this issue—in particular, the all-party group on domestic violence and Women’s Aid on raising the issue of how domestic violence cases are dealt with in the family courts. The statistics and examples of domestic abuse, some of which have been given this afternoon, are so continually shocking that we have a duty to come back to this debate over and again.

I do not intend to repeat anything anybody has already said. I want to address two issues: first, what has been happening in the criminal courts to make the position better, and to raise the question of why some of that has not been done in the family courts; and secondly, to go to the question of abuse of process, where individuals are clearly using the civil courts for a purpose they were not intended for.

The criminal courts are not perfect. There are all sorts of problems still with our criminal courts in dealing with domestic abuse, but anybody who has worked on this—people across the House have done so—will recognise that real strides have been made that make a real difference in relation to the criminal approach over the past 10 to 15 years. I want to outline why I think that has happened, because this is a time to reflect on the processes in the family courts and to see whether some of that can be replicated.

The first thing that happened was that we began to count the cases. Back in 2002-03, nobody knew how many domestic abuse cases were going into the criminal court, so we could not begin to have a policy or strategy. We started counting the cases, and if the number of cases where litigants in person before family courts is not being counted now, that needs to start, and we need to understand how many of them may be victims of domestic abuse. So counting is the starting point.

We then need a policy to understand, so that everybody who plays a part in the process has a policy that helps them make the right decisions in the area they are responsible for. That happened in the criminal process about 10 or 12 years ago—those policies began to be rolled out, and they have been improved over the years. A policy on its own does not do the job, so we need a
strategy, too, that makes it clear what we are trying to achieve and is proactive and forces things to change. We also need leadership: people who are prepared to go out there and say: "We’re going to change what’s going to happen." All that has helped in the criminal sphere, with lots of different people leading in different ways. When we put it all together, it is clear the position has undoubtedly changed, so that it is now unrecognisable.

I will go through some of the features. Independent domestic violence advisers and independent sexual advisers are extremely good and are relied on by victims to help them through that part of the process. Specialist courts for domestic violence made a real difference, where everybody in the courtroom was trained and understood the issues; there were separate courts and lists, and the environment made it easier to deal with domestic violence cases. There was better co-ordination and support, with groups like Women’s Aid and many others out there to provide the support victims need for the journey they were going to go through in the criminal courts. And then there were practical measures that took the strain off the victim.

It is particularly important for a 999 tape, recording the person who phones the police to report what is happening, always to be secured, and for a police officer to arrive at the scene wearing a body cam. Those two bits of evidence will secure a conviction in almost every case of domestic abuse. It is amazing that they are still not the norm even in the criminal sphere. With the 999 tape and the body cam, it will almost certainly be possible to prove a case without putting a strain on the victim by requiring him or her to make that case in court.

Then there are special measures. When I went along to the all-party parliamentary group on domestic violence and heard some of the evidence about family courts, I was struck by the fact that what I was hearing simply would not be tolerated in the criminal courts any more. Special measures are a norm in the criminal courts, and it would be thought to be the duty of the prosecution, the defence and the court to ensure that they are in place.

Some of the changes that have taken place have undoubtedly improved the situation in the criminal courts, although I am not pretending that it is perfect, and I am not suggesting that there is not much more to be done. I think that those improvements came about because a number of individuals decided to listen to what people were saying to them. My hon. Friend the Member for Hove (Peter Kyle) mentioned the terrible case of Jane Clough. Her parents, Penny and John, came to see me, and I just sat down for the afternoon and let them tell me what had happened to them during their journey through our courts. It reflected on the organisation that I was running and it reflected on the criminal justice system, of which I am very proud, but I listened, and other people listened. We need to listen, and that is why today’s debate is so important.

We also need to be non-defensive. In my experience of criminal justice, the moment our organisation or system is criticised, we circle the wagons and try to protect what we think is good, rather than accepting that it might not be so good. It is necessary to listen, to give a non-defensive, open response, and then to have an absolute determination to change things. Jane’s parents asked me to go with them on a journey to change some of the things that had gone wrong for them, and I am proud to call them friends and co-advocates on that continuing journey.

There are real lessons to be learnt, and when I say that I look, obviously, to the Government Front Bench. There are lessons to be learnt about what has happened in the world of criminal justice in the last 15 years and to ask searching questions about why some of that cannot be replicated in family and other courts—starting, as I have said, with listening, non-defensiveness and an absolute commitment to change.

The second point that I want to make concerns the abuse of process, an issue that I think is rising on the agenda. Perpetrators of domestic abuse use our courts—both criminal and civil, but it is on the civil courts that the torch has not been shone—to continue the perpetration of control and harassment of victims. I pay tribute to Claire Waxman, herself a victim of harassment. She and Voice4Victims have raised this issue on numerous occasions.

There are two types of abuse of process. First, there are the individuals who bring proceedings in which they have no legitimate interest: they are doing it simply to ensure that the person whom they have been stalking or harassing is forced to come to court to strike out their claim. Because these are people with no legitimate interest, the courts will strike out the claim when they get to grips with it, as a vexatious claim. However, the victim will have to go to court to argue that it is vexatious, and that is all that the perpetrator wants: for that person to come to court. That is what happened to Claire Waxman, and it has happened to other victims.

This problem could be solved by Christmas. Again, I am looking straight across at the Government Front Bench. It ought to be possible for someone working for the senior judiciary to devise a way to ensure that such cases are subject to a special strike-out procedure that does not require the victim to go to court and take the initiative, and some third party does it instead. I honestly think that a month or two of hard work, and some real courage and determination, could produce a system whereby a practice direction could be issued and the problem could be put to one side.

The second type of abuse of process is more difficult to deal with. In these cases, the perpetrator has an interest—a child, for instance—and it is therefore not possible to say that that individual simply should not be allowed to be in court at all. In those circumstances, it is a question of looking at special measures, support and different ways of arranging family and other courts to ensure that they are not used with ulterior motives, because there is growing evidence that is happening. These are difficult cases, but it must be possible to provide support for victims, special measures and, indeed, a more proactive role for judges. A big change in the criminal courts was that judges began to be much more proactive and to say, "This is my problem. I must deal with it. It is my duty to provide a better environment for victims on their journey through our courts."

What today’s debate throws up is that these issues are not going to go away. They need to be solved, and I think they can be solved across the House, but that will require listening, non-defensiveness and commitment to bringing about real change. Real change has already happened in the criminal sphere; it can happen in the family courts as well, and it need not take 15 years if lessons from one jurisdiction are borrowed by the other.
2.54 pm

Jim Shannon (Strangford) (DUP): As is often the case in the main Chamber, I am the last Back Bencher to speak, but I look forward to contributing none the less. I was very touched by all the contributions, but particularly that of the hon. Member for Penistone and Stocksbridge (Angela Smith), who set the scene so well—no one could fail to be moved by her contribution. Other right hon. and hon. Members put their cases eloquently and powerfully, and it is good to have them on the record. None of us in the Chamber today, or I suspect outside this place, will have heard those stories without having an ache in their heart.

In the short time available, I want to offer a Northern Ireland perspective, as I always do in this place. I wish that I could say that the figures for Northern Ireland are better, but unfortunately they are not. When Members hear some of the statistics I will give to illustrate the situation, they will start to understand some of the problems we have back home.

This matter requires much thought and consideration. It affects far too many homes and families across the United Kingdom. The statistics are shocking. During this contribution, police forces across the UK will receive at least 10 calls regarding domestic abuse, which is simply horrific. Multiply those 10 calls by the number of Members who have spoken and we get an idea of the number of domestic abuse cases that have taken place since this debate began.

In 2014-15, 28,287 incidents with a domestic violence motivation were reported to the Police Service of Northern Ireland. The PSNI responds to a domestic incident every 19 minutes of every day. I am not sure what the reasons are for that—people with much more knowledge will explain—but it might be down to our conflict of 30-odd years, or to economic changes. There are certainly pressures in our society that can make it difficult to have safe and compatible relationships. Some 13,426 domestic abuse crimes were reported, which is approximately 13% of overall crime in Northern Ireland. In the same year, six murders were found to have had a domestic abuse motivation, which is 37.5% of all murders in Northern Ireland. The statistics therefore indicate that the level of domestic abuse in Northern Ireland is very worrying.

At 13,426, the number of domestic abuse crimes was over two and a half times that of drug offences. We know how important it is to address drug issues, but there were just over 5,000 drug offences in that period.

The number of burglaries was 9,000. There were 2,734 sexual offences recorded, including 737 cases of rape. Again, those are very worrying figures. Since January 2010, 8,363 multi-agency risk assessment conference cases have been discussed, including 10,856 cases in which children were living in the household, and in 7,955 of those cases the victims were female.

I want to give a few examples, without mentioning any names or going into too much detail, of the cases that I have been confronted with as an elected representative. I have a case of a lady from my constituency who I have known since she was a wee baby. She was married and had two children. She went to live in another part of the Province and she and her husband became estranged. He became quite violent. One night he arrived at her house with a sledgehammer and smashed the backdoor in. I have to say that the police responded very quickly and were there within five minutes. They arrested her husband and took him away. That relationship broke down. This is not just about the violence perpetrated on the doorstep; it is also about the trauma and the mental and emotional effects upon that lady and her two children.

I had another case—I do not think this has been mentioned so far, but I am sure that Members will relate to it—in which a constituent was pursued by her ex-partner at home, at work and on the streets, to the extent that she feared for her life. The thing is that that lady took her own life. Sometimes, we have to look at the after-effects as well.

Stop me if I am wrong, but there is a massive issue that we must be certain that we are handling in the best possible way across the United Kingdom of Great Britain and Northern Ireland. We must make changes to handle the issue in the best way possible. In 2014, a report by Her Majesty’s inspectorate of constabulary found that the police response to domestic abuse was not good enough and that the responses were inconsistent. A reinspection in December 2015 found that, although some positive changes had taken place, there was still room for improvement. That is why we are raising the issue again in the Chamber today.

I know that the Minister will give us some idea of the responses that have taken place and how the improvements have happened. I understand that there is no one blueprint that suits every case. Every case we have heard about today has been different. If there has been a theme, it is that every case is particular and peculiar to the individual person. None the less, they do constitute domestic violence. The term “domestic violence” covers a multitude of sins and each case should be treated individually. There must be a scheme in place that allows that to happen.

In this debate, we are focusing on the changes needed on domestic violence cases in family law courts. However, many cases of domestic abuse do not end up in court as the victim is unwilling to testify. That is the position in many of the cases I have in my office. The couple fall out; they drift apart; they get back together again; and the difficulties continue, with all the “sorrys” and apologies from the partner to the lady concerned. Some do not find the strength to face their abuser, and it is for them that I stand here today and ask: how much more can we do for them? I understand that there have been changes to the statute of limitation and that has to be welcomed, but what more can we do on that matter?

An essential part of change is recognising that domestic violence is not simply against women and children. Women’s Aid in Northern Ireland has released its statistics for 2014-15, which paint a picture of the different scenarios that it is dealing with every day, which we in the debate would recognise. It runs a 24-hour domestic and sexual violence helpline, which received 27,923 calls—almost the same as the PSNI received across the Province. The majority, by miles, of calls to the service continue to be from women. The percentage of male callers this year rose to some 2.2%, the previous year, the percentage was 1.5%. There were 611 sexual violence calls to the helpline from 518 female callers and 93 male callers—sometimes, let us be honest, men themselves have to contact the organisation and I want to put that focus into the debate—262 calls came from foreign
national and black and minority ethnic women; 35 calls came from the LGBT community; 58% of women callers disclosed mental health issues; and 533 women, an increase of 79 on the previous year, and 226 children, a decrease on the previous year, were referred to Women’s Aid refuges.

I pay tribute to Women’s Aid for what it does in my constituency. It is a marvellous organisation. It is very receptive and responsive. I know the matter is devolved. I always encourage the Northern Ireland Assembly to ensure that moneys are available for that organisation, too.

This is a hugely diverse range of issues and the fact is that we need improvement in the service provided in all these areas. Although I understand that the task of creating a system that can offer support on the different types of domestic violence appears almost overwhelming, one thing is clearly needed in each case: compassion. We need to ensure that all responders understand that in some cases we cannot understand why someone goes back into an abusive situation. I cannot begin to understand that, but it happens. They deserve and need no less help and compassion than anyone else. Let us help them all. People need to know that there is a safe place and help available anytime they need it and that we have a system in place that will aid people in getting their lives back together. I want to say a big thank you all those Government bodies—the housing services, the police, social services—and all the organisations and charities, including Women’s Aid, which is an independent body, that work together.

This is a big problem that is complex by its very nature. The contributions in the House today have shown that we want the change that is necessary, especially for those who need it most. We must do our best to make the situation better for them. It is my belief that the hard work must begin in this place today.

3.4 pm

Richard Burgon (Leeds East) (Lab): I want to start by congratulating my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith), along with the Chair of the Women and Equalities Committee, the right hon. Member for Basingstoke (Mrs Miller), and all the other hon. Members who have together secured this vital debate. I should also like to thank the Backbench Business Committee for affording Members this time in the Chamber to discuss this issue. Having listened to today’s discussions, I am sure we can all agree that the contributions have been powerful, moving, thought-provoking and well informed. I also want to take this opportunity to pay tribute, as other hon. Members have, to Claire Throssell and to thank her for all her hard work with Women’s Aid in trying to ensure that other mothers are protected in a way that, tragically, she and her children were not.

As my hon. Friend the Member for Penistone and Stocksbridge told the Backbench Business Committee when she applied for this debate, it is important that the voices of these women should be heard. I especially want to congratulate her on fulfilling her promise to the Committee in her speech today. She made sure that the voices of those women were heard and put on parliamentary record the words of Claire.

I also congratulate Women’s Aid on publishing its urgent and important work, “Nineteen Child Homicides”, 12 years on from a similar shocking report. Much time may have passed since that original report’s publication and, although progress has been made in respect of domestic violence and the family courts, much more needs to be done. That 2004 report influenced the landscape of the family courts, and there is every reason to hope, following the debate today, that the latest report will also have a big effect. As we have heard from my hon. Friend the Member for Hove (Peter Kyle), there needs to be a transformation of our family courts. They need to be an arena for justice, not a weapon with which those who have done wrong can seek to inflict further pain on those who have been wronged.

The case studies described in the report are truly shocking. All the perpetrators were fathers to the children they murdered, and all the murders took place in the context of child contact, whether informally or formally arranged between the parties. The cases to which the Women’s Aid report refer tend to show a deeply worrying pattern in which the fathers involved are actually known to agencies as perpetrators of domestic abuse. The reports’ findings show that a culture of “contact at all costs” has unfortunately arisen in our family courts. As long ago as 2006, however, the then Lord Justice Wall said in response to the first report from Women’s Aid on this subject:

“It is, in my view, high time that the Family Justice System abandoned any reliance on the proposition that a man can have a history of violence to the mother of his children but, nonetheless, be a good father.”

Against that background, it is particularly alarming that Women’s Aid found that the justice system still views the abuse of a mother by a partner or husband as somehow separate from the child’s safety. Anyone reading the report will agree that a review is necessary, but as shadow Justice Secretary I was particularly struck by the barriers identified in the report to ensuring that granting of child contact is safe.

Access to justice is no access at all if it does not also include access to advice and representation. As mentioned by my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss), the coalition Government inflicted large cuts on the legal aid budget, and private family law cases were no exception to that damaging trend. Although the Government introduced interim regulations for family legal aid earlier this year, the picture has scarcely changed. Those seeking publicly
funded legal representation must provide evidence. The time limit for submitting evidence may have been extended from two to five years, but many will wonder why there is a time limit at all. It may be more appropriate for an assessment of relevance to be made rather than to set an arbitrary period of time. It is the provision of evidence itself that causes difficulty and the report makes it clear that much of the required evidence is either “unavailable or unobtainable”. Practitioner groups I have met also report reluctance by some professionals to put the required evidence in writing. Those who do sometimes find their form returned because it is not in the prescribed format and so the process begins again.

At the time, the Government committed to review the effects of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 within three to five years. To date, not only has a review not been published, but no such review has started. It is alarming that some 38% of women were not in a position to obtain the necessary evidence to persuade the Legal Aid Agency that, as victims of domestic violence, they should be eligible for legal aid. More than a quarter of those women had no option other than to represent themselves in court as litigants in person. As outlined by my hon. Friend the Member for Great Grimsby (Melanie Onn), that can mean being cross-examined in court by the perpetrator of the abuse and the extra stress of having the sole responsibility for navigating the complex case law and legal processes. As mentioned by my hon. Friend the Member for Birmingham, Yardley, when a defendant has no legal representation in the criminal courts they will be prevented, quite rightly, from cross-examining a complainant who alleges domestic violence. Instead, the court will appoint an advocate, paid for with public funds, to conduct cross-examination. If that is good enough for the criminal system, why is it not good enough in the family court system?

At her first Justice Committee appearance last week, the then Secretary of State for Justice stated that one of her three objectives was to realise a justice system that works for all, something with which we can all agree. If that is the case, she must turn her mind rapidly to the experiences we have heard today—the experiences of those in the family courts—because the clear evidence of this report is that this is not working for all. To that end, I was disappointed to hear that the all-party group on domestic violence has received no response to date to its “Domestic Abuse, Child Contact and the Family Courts” report. I want to take this opportunity to pay tribute to the work of the all-party group and its chair, my hon. Friend the Member for Birmingham, Yardley. I hope the new Justice Secretary will do more. I hope that she will take on the task of responding directly to the work of the all-party group and consider carefully the seven recommendations its report makes. As with the Women’s Aid report, it emphasises the need for better adherence to practice direction 12J. As we have heard, that relates to protecting the child and the parent they are living with, and ensuring that the best interests of the child are elevated above other considerations when determining child contact.

As my hon. Friend the Member for Rotherham (Sarah Champion) so eloquently said, combating violence against women and girls must be a priority for all parties. Labour’s general election manifesto committed to establishing a commissioner on domestic and sexual violence, to influence priorities across all Departments. We also said that we would publish a violence against women and girls Bill, and provide more stable central funding for women’s refuges and rape crisis centres. As my hon. Friend the Member for Birmingham, Yardley mentioned, we welcome the Government’s change of position on women’s refuges and changes to housing benefit. But, fundamentally, the Government should heed this motion and implement a review as soon as possible. I commend the motion to the House.

3.16 pm

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): I will not be taking any interventions, in an attempt to get through all the questions that have been asked in this important debate, so I ask hon. Members to forgive me. If I do not answer all of the points raised, I will be writing to hon. Members. Let me begin by thanking the hon. Member for Penistone and Stocksbridge (Angela Smith) and other Members for securing this debate. On a personal level, I believe that she is an impressive Member of Parliament, and her core decency, which was visibly displayed today, came through. I think that is why she is such a valued Member of this House.

I recognise the strength of feeling on the subject of domestic abuse and the importance that hon. Members from all parts of the House attach to addressing it. The more we talk about this issue, the better. I am very grateful for the opportunity to discuss such a pressing issue, not least because in clinical practice I have encountered a number of cases of domestic violence, primarily against women, but I must say that it also affects men—that should be mentioned. I also think it is important that today we have heard contributions from both men and women; this problem blights our society and we are all responsible for sorting it out.

Domestic abuse appals every one of us. As the Prime Minister made clear in the House only last week, tackling such abuse is a priority for the Government. This debate centres on an important report by Women’s Aid, which was published in January and is entitled “Nineteen Child Homicides”. It calls on the Government to review the treatment and experiences of victims of domestic abuse in the family law courts. It examines a number of serious case reviews published in the 10 years up to 2015, all involving children who were killed by their fathers—19 children in total. The fathers in question all had access to their children through formal or informal contact arrangements. At this point, may I mention the story that the hon. Member for Penistone and Stocksbridge vividly described? I gather that the mother, Claire, is here, and the story of the loss of Jack and Paul horrified us all. I am in awe of her courage, not just because she is here today, but because her attempt to find some positive outcome to such an appalling tragedy deserves the respect of us all.

The Women’s Aid report makes for harrowing reading. No child should ever die or live in such dreadful circumstances, and it is incumbent on all of us to consider whether more can be done to prevent such tragedies. The report underlines the need to prioritise the child’s best interest in child contact cases involving domestic abuse, and to make sure that known risks are properly considered. The law is clear on that: the family courts’ overriding duty is the welfare of the child.
In March, the Government launched a new strategy on violence against women and girls. We committed £30 million of funding and set out a comprehensive action plan. The Ministry of Justice is playing a central role. Although there remains much work to be done, we have already made progress. We are working closely with the Home Office to protect victims, including introducing the new offence of coercive control, new stalking laws and domestic violence protection orders.

This year, we allocated around £68 million to police and crime commissioners to support victims of crime, including victims of domestic abuse. Today, we announced our plans to allow vulnerable and intimidated witnesses to be cross-examined earlier in the criminal process through digital recording. As well as improving the quality of evidence provided by such witnesses, this should make the experience of giving evidence less traumatic.

This Government’s work to improve the criminal justice response to domestic abuse is also beginning to bear fruit. Last week, the Crown Prosecution Service reported that the number of prosecutions and convictions for domestic abuse is now at its highest level. More victims are seeing justice.

We in the Ministry of Justice remain committed to working closely with partners the CPS and the Home Office, particularly when responding to domestic abuse, but our role does not end there. The Ministry of Justice is acutely aware of the particular responsibilities of supporting victims of domestic abuse going through the family justice system. The issues at stake in family proceedings are sensitive and often complex, and the courts’ decision can have far-reaching implications for the individuals involved, particularly for children. Domestic abuse only exacerbates an already traumatic situation.

We have therefore taken a number of steps to make sure that victims of domestic abuse who find themselves in the family justice system have the support and the protection that they need: we have protected legal aid for individuals seeking protection from abusers; we are investing in the court estate to improve the physical security of family courts and the emotional support available for users; and we have placed renewed emphasis on training for those who work in the family justice system.

Where arrangements have been found wanting, we have taken action. For example, when the Court of Appeal ruled earlier this year that elements of the evidence requirements for making legal aid available to victims of domestic abuse in private family cases were invalid, we changed the regulations as an interim measure.

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Where arrangements have been found wanting, we have taken action. For example, when the Court of Appeal ruled earlier this year that elements of the evidence requirements for making legal aid available to victims of domestic abuse in private family cases were invalid, we changed the regulations as an interim measure. In parallel, we began work to explore fully the issues at play in these cases. We are determined that victims of domestic abuse should be able to access legal aid when they need it, and we want to understand better the experience of victims in these situations so that we can be sure that we have workable arrangements for the longer term.

Over the summer, we have been working collaboratively with domestic abuse support groups, legal representative bodies and colleagues across Government to gather information on the legal aid evidence requirements. I for one welcome the collaborative approach to this work, and would like to see it adopted on other issues.

We are not complacent. We know that there is room for improvement, and we are working closely with the judiciary in particular to consider what additional protections may be necessary for vulnerable victims and witnesses in the family justice system.

Another important report on domestic abuse and the family justice system was recently published by the all-party parliamentary group on domestic violence. It highlighted a number of issues of concern, which we are now examining carefully.

I was struck by the unfavourable comparison the APPG’s report made between the treatment of domestic abuse in the family justice system and that in the criminal justice system, which has done a great deal in recent years to develop a coherent, system-wide response to the matter. As the hon. and learned Member for Holborn and St Pancras (Keir Starmer) pointed out, it is fair to say that the family system can learn valuable lessons from criminal justice, and in particular from the focus that criminal justice agencies have brought to developing a joined-up response, which takes full account of the needs of the victim. The Government agree that it should never be a case of “contact at all costs”.

Judicial guidance issued to family judges by the president of the family division of the High Court—practice direction 12J—makes it clear that the court should make an order for contact only if it can be satisfied that the physical and emotional safety of the child and the parent with whom the child is living can, as far as possible, be secured before, during and after contact.

Compliance with judicial guidance is properly the responsibility of the independent judiciary, as are a number of the issues raised in the two reports. The most senior family judge, the president of the family division, has asked a High Court judge to review the practice direction in the light of recommendations made by Women’s Aid and the all-party parliamentary group on domestic violence. I will meet the president later today, and intend to raise this with him in person.

I shall now respond to points made by hon. Members during this discussion. We have heard from the hon. Member for Penistone and Stocksbridge, my right hon. Friend the Member for Rotherham and for Birmingham, Yardley (Sarah Champion), my hon. Friend the Member for Sutton and Cheam (Paul Scully), the hon. Members for Birmingham, Yardley (Jess Phillips), for Great Grimsby (Melanie Onn), for Hove (Peter Kyle), for Banff and Buchan (Dr Whiteford), for North Ayrshire and Arran (Patricia Gibson), for Sheffield, Brightside and Hillsborough (Gill Furniss), and for Glasgow Central (Alison Thewliss), the hon. and learned Member for Holborn and St Pancras (Keir Starmer), and the hon. Member for Strangford (Jim Shannon). Each made a thoughtful and powerful contribution.

I read both reports with interest; they were a difficult read. I can inform the House that I will meet Polly Neate, the chief executive of Women’s Aid, on 17 October, when I look forward to discussing the recommendations with her in person. The hon. Member for Birmingham, Yardley made an important point about the lack of data on the number of litigants in person; I agree that we have insufficient data on trends in the family justice system. I assure the House that evidence-based policy will be at the heart of everything I do as a Minister.

On vulnerable witnesses in the family court, the hon. Members for Rotherham and for Birmingham, Yardley, asked about “controlling or coercive behaviour”, and
the understanding thereof in courts. The law is clear: the definition of “harm” includes a child witnessing domestic violence, which includes controlling or coercive behaviour. We are working with the judiciary to consider what additional protections for vulnerable victims and witnesses may be necessary.

With regard to training on domestic abuse—an issue raised by the hon. Member for Penistone and Stocksbridge and my right hon. Friend the Member for Basingstoke—responsibility for judicial training rests with the Judicial College, which runs modules on domestic abuse. Court staff receive training on various aspects of domestic abuse. We are reviewing the training, and have shared the training materials with Women’s Aid to assist us in the review. All family court CAFCASS advisers must complete core training, including on the assessment of domestic abuse, coercive control, and the impact on children.

My hon. Friend the Member for Sutton and Cheam raised the case of Ellie Butler. We have all been shocked by the circumstances of that case, but my hon. Friend will appreciate that I am unable to comment on individual decisions of the independent judiciary.

In closing, let me again thank hon. Members for the opportunity to discuss this important subject. I do not need to be reminded of the impact of domestic violence on people; as a doctor, in the last three months I have had two cases of domestic violence, and it is truly shocking when one encounters women in those circumstances. I am determined to do everything that I can to improve our management of cases when they come before the criminal justice system, and indeed to try to get rid of this scourge, which blights our society. I am hopeful, particularly after this debate, that we can work together across the House, and indeed beyond, as we continue efforts to improve the way in which the family justice system responds to domestic abuse.

3.28 pm

Angela Smith: I thank the Backbench Business Committee for having given us this very important debate, which I think has shown the House at its finest. We have heard not only the arguments, but the stories and the voices that needed to be heard. Claire is here today, and I know how much this means to her, but all of this means nothing until we see effective change.

The extent of the challenge was made clear to me this afternoon by a rather unpleasant tweet sent to my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) and me in response to my hon. Friend’s comments about the high quality of the debate; it said: “man-hating at its finest...well done”.

If that does not spur us on to make the changes necessary to put children first in our family courts, nothing will.

I thank the Minister for his thoughtful and considered response, but I urge him to act as quickly as is reasonably possible to make the changes that we know are necessary to stop children dying at the hands of their father.
Quantitative Easing

3.33 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I beg to move,

That this House calls on the Bank of England to provide a detailed analysis of the effect of its quantitative easing programme on the financial markets and the wider economy which includes an assessment of the future development of the quantitative easing programme and other monetary policy measures it may consider appropriate to achieve its objectives.

I draw the attention of the House to my entry in the Register of Members’ Financial Interests.

I understand the motivation to introduce the quantitative easing programme back in March 2009. The need to restore confidence and take action to stimulate lending and growth after the financial crisis was well understood. As QE was put in place, many commentators were worried about unfounded risks of inflation, which betrayed an ignorance of what the effects of QE would be.

My primary concern about the Bank of England’s QE programme, the asset purchase scheme, was not that it might lead to some kind of hyperinflation, but instead that it would not necessarily lead to an increase in lending. That was the evidence from Japan, where for a significant period after the introduction of its unconventional monetary policy, lending actually fell. Of course, that outcome has been mirrored here. If we look at M4—also referred to as broad money—its value in January 2010 was £2,220 billion. The figure for July 2016 was £2,210 billion—a slight fall in the value of broad money. Now, the improbable counter-factual is that lending might have been lower without QE; the inescapable fact, though, is that engaging in quantitative easing to the extent we have has not resulted in an increase in the money supply in the UK. It does seem that the asset purchase scheme has predominantly enhanced the balance sheets of financial institutions, without a commensurate increase in lending.

We understand the difference between QE and simply printing money, which is that QE should eventually be unwound, although the mechanisms and timings are the great unknowns of today. Just to put this into context, the Bank of England now owns an eye-watering quarter of all outstanding Government debt—in effect, we have borrowed against ourselves.

When I sought the agreement of the Backbench Business Committee for this debate, it was ahead of the Bank of England announcing further measures in August to add to its QE programme. That means that this is a very timely, much-needed debate, and it is right that, seven and a half years into the QE programme, we in this House take stock of what has been achieved and, indeed, what the interaction between monetary and fiscal policy should be to deliver confidence and growth for our economy.

With the measures announced in August, the Bank of England has authorised a QE programme of £445 billion. The desire to drive down interest rates, coupled with the effect of the QE programme, has seen investors seek other, higher-yielding assets, with a commensurate increase in asset prices and a decline in yields. Given those circumstances, the financial markets have seen a great bull run. The FTSE 100 was at a level of 3,529 on 6 March 2009, ahead of the launch of the QE programme.

Last night, the index closed at 6,673, representing a gain in value of 89% over the last seven and a half years. The QE programme has helped to deliver an outcome that means that those owning financial and property assets have done well—that was perhaps an unintended consequence of QE—while, on the face of it, there has been no net positive impact on growth in the money supply.

Jeremy Quin (Horsham) (Con): I note what the hon. Gentleman says on the money supply. The Bank of England reports do indicate an increase in growth in the economy as a result, certainly, of the first round of QE immediately post the first financial crisis, so it may yet have had a positive impact on the level of inflation in the economy and GDP growth—clearly of benefit to us all.

Ian Blackford: My contention would be that we have actually had very limited reporting from the Bank of England on the actual effect of the QE programme, and we need a much more detailed analysis. I accept, of course, that there would have been some limited impact on the economy from the QE programme. I will go on to discuss whether we need to balance some of these monetary measures by taking additional fiscal measures, which may have done more to boost sustainable economic growth. That marriage of our responsibilities for monetary and fiscal policies has to be relevant to the point the hon. Gentleman made.

As the Prime Minister herself said:

“Monetary policy—in the form of super-low interest rates and quantitative easing—has helped those on the property ladder at the expense of those who can’t afford to own their own home.”

On this occasion, I agree with the Prime Minister—I do not intend to make a habit of that though.

There has to be a policy response from the Government that recognises that fiscal measures must be taken as part of a balanced approach to deliver the circumstances of sustainable growth. If we look at the growth in financial wealth, we can see the contrasting experience of those who have benefited from this wealth effect at a time that real wage growth has stagnated. We know from an analysis published by the Bank of England in 2013 that QE had boosted asset prices and that the top 5% of households owned 40% of those assets. The analysis from the Bank of England at that time estimated that the top 5% of households had become richer to the tune of £128,000 on average. QE has demonstrably exacerbated wealth disparity between rich and poor.

Mark Field (Cities of London and Westminster) (Con): I would have to agree with elements of what the hon. Gentleman is saying. We have had these ultra-low interest rates and quantitative easing in place for a hell of a long time, and they have had a distorting effect along the lines that he has suggested. Does he not recognise, though, that when, in March 2009, we entered a phase of emergency interest rates and started down the road to quantitative easing, no one would have envisaged that this far down the line the British economy—indeed, more importantly, the world economy and the European economy—would be in such a state that it would be difficult for us to raise interest rates? In other words, the policy in 2009 and for the next year or two afterwards was entirely acceptable and understandable, but it was not envisaged that it would carry on for so long.
Ian Blackford: I find myself agreeing with the right hon. Gentleman. As I said, we all recognise that it was a necessary step to take in 2009. I am really grateful that the Backbench Business Committee has granted this debate, because it is important to reflect on how the monetary policy initiatives that have been taken need to be balanced by other measures to make sure that we can deliver the sustainable economic growth that he mentions.

We need a detailed analysis of what has happened to the £445 billion that has been invested in the asset purchase programme. As he says, given the economic circumstances we have no idea at this stage when we are likely to see that begin to unwind. Indeed, it is likely to be some years into the future.

We need to reflect on the experiences that I have discussed and be prepared to consider what we need to change in both monetary and fiscal policy in order to foster inclusiveness and fairness. We have not created circumstances where there has been a material enhancement to business confidence that has led to an increase in business investment that is necessary to drive up productivity and enhance living standards for society as a whole.

Post-Brexit, much is talked about those who have been left behind. In this context, there must be an examination of QE and an assessment of alternative measures both monetary and fiscal. In my opinion, there has been a disconnect between growth in financial assets and growth in the wider economy.

There is also the issue of the impact on savers of lower interest rates, and the impact on pensions and pension savings. The difficulties experienced by the BHS pension scheme and the desire to change the arrangements for the British Steel pension scheme are just two examples of situations where there are risks to members of defined-benefit pension schemes. Today in the UK, there are about 11 million citizens in about 6,000 defined-benefit pension schemes. Figures that I obtained earlier this year suggested that the then combined deficit in defined-benefit schemes was about £384 billion, with about 600 schemes in a danger zone in terms of meeting their long-term obligations.

One of the challenges that pension schemes face is the impact of QE particularly with regard to the declining yields on Government gilts. Let me put that into context for the House. A movement in UK gilts of 50 basis points equates to an approximate increase in defined-benefit pension schemes deficit of £120 billion. When we consider that the 10-year Government bond yield was at 3.1% in March 2009 and we are at 0.5% today, we can see the scale of the challenge that pension funds have faced from the decline in yields. We have invested, if I can use that term, £445 billion in driving down yields and creating a pensions black hole, undermining in the process the attractions of savings and, in particular, pensions savings.

It is not just the impact on future income streams for pension funds, but the effect on declining annuity rates, which is of considerable concern. This effect was identified by the Treasury Committee in a report of 2012 which stated:

“Loose monetary policy, achieved through quantitative easing and low interest rates, has redistributional effects, particularly penalising savers, those with ‘draw-down pensions’, and those retiring now.”

We need to reflect on such statements and consider how to adapt our approach. Standard & Poor’s stated in a report this year that QE has exacerbated wealth inequality.

Mr Steve Baker (Wycombe) (Con): I welcome this debate. I wonder whether the hon. Gentleman saw the editorial in The Daily Telegraph of 13 September headed, “A pension scandal at the Bank of England”, which discussed the fact that senior staff had been given massive increases in their pension contributions in order to fight the phenomenon he mentions. I am afraid that what is sauce for the goose in the case of the Bank of England is not sauce for the gander. Does he agree that the Bank of England is in danger of being accused of hypocrisy again and again as this proceeds?

Ian Blackford: The hon. Gentleman makes a very good point. I have not read the article, but I have seen the press headlines about it. That is exactly the point I have tried to make in painting a picture of the inequality. Those at the top or in the vanguard of society, if one wants to put it that way, are seen as benefiting from the quantitative easing programme—it benefits the pension schemes of those in the Bank of England—while ordinary workers and savers have been penalised. He is absolutely right, and one therefore recognises why we have the disconnect in society.

Helen Goodman (Bishop Auckland) (Lab): One of the problems caused is obviously inflation in house prices, which I will say a little more about later. In response to the hon. Member for Wycombe (Mr Baker), is it not also the case that the Bank of England is still subsidising the mortgages of its staff and helping them up the very steep property ladder?

Ian Blackford: I must say that I have no particular knowledge of that, but if it is the case, I agree with the hon. Lady that it is not helpful. I did not specifically mention house prices when I was talking about the rise in financial markets, but quantitative easing has clearly led to an increase in property prices, and we know the problems that people suffer from, particularly in the south-east of England, as a consequence. That is one of the unintended consequences I mentioned.

I hope that the Minister will reflect on all this and, when he responds, tell us how the Government can bring forward measures that will address specifically the issue of rising wealth inequality, which concerns Members right across the House. While I recognise the desire of the Bank of England proactively to take action to support confidence in the financial markets and the wider economy, the Treasury has been almost completely absent in the deployment of fiscal policy tools to grow the economy and counter the negative impact of Brexit. One cannot divorce monetary and fiscal policy; they have to work in tandem. There is a particular challenge in encouraging companies to invest through their seeing a growth opportunity in the wider economy. We all have responsibility for creating the circumstances in which there is a realisation of such growth opportunities.

I appreciate that the illogical desire of the previous Chancellor to achieve a fiscal surplus in the current Parliament has now, thankfully, been abandoned. We should all share in a desire to cut the deficit and debt, but the question of how to get there requires a much deeper debate. I am pleased that voices across the Chamber now seem to recognise that we have to accept our full fiscal responsibilities, as well as our monetary responsibilities, to strengthen confidence and growth.
In particular, we need to consider infrastructure investment, as a counterpart to our monetary measures, to build capacity, improve efficiency and create an environment that will encourage business investment to allow us to improve productivity, competitiveness and, as a result, living standards. It is about making sure that we move away from a situation in which QE has been beneficial to those owning financial assets to one in which wider society sees a greater benefit from a more balanced approach.

My party, the SNP, has long advocated ending and reversing the Tory Government’s programme of austerity, which has failed our economy and harmed our social fabric, and using fiscal tools to create a fair, resilient and balanced economy. The productivity and inclusive growth Bill proposed in the SNP’s alternative Queen’s Speech would bring about an inclusive, prosperous economy through a modest investment in infrastructure and vital public services. Such a balanced approach would return the public finances to a sustainable path while continuing to invest. The Bill would boost investment, halting the austerity programme that has strangled economic progress. It would oversee increased spending on public services by a modest 0.5% a year in real terms between 2016-17 and 2019-20, which would release over £150 billion during that period for investment in public services, while ensuring that public sector debt and borrowing fell over the current Parliament. In doing so, the Bill would stimulate GDP growth, and support wage growth and tax receipts. By transforming productivity and innovation, it would act as a major signal of confidence in our economy. Such a modest increase in expenditure would stop the cutbacks that disproportionately burden the most disadvantaged groups, cause widespread suffering and inequality, and deny opportunities to so many.

The International Monetary Fund, in its latest “World Economic Outlook”, has revised growth projections down, signalling the headwinds ahead, and urged policy makers to engage in more active policy responses to tackle the underlying challenges. It called for advanced economies to “strengthen growth” by engaging in “structural reforms, continued monetary policy accommodation, and fiscal stimulus—in the form of growth-friendly fiscal policies where adjustment is needed and fiscal stimulus where space allows.”

Furthermore, in an article entitled “Neoliberalism: Oversold?”, the IMF revisited the effectiveness of austerity and concluded that these policies increased inequality and jeopardised long-term economic growth.

In its latest economic outlook from June 2016, the OECD encouraged policy makers around the world to “break out of the low-growth trap” and deliver economic prosperity by deploying fiscal policy “more extensively”, as well as by taking advantage of the low-interest rate environment created by monetary policy. It suggested the use of structural policies to enhance market competition, but also urged Governments to intervene to enhance labour market skills and invest in infrastructure that would deliver long-term productivity and economic growth.

Even the US has pressed other G20 countries for more fiscal policy activism to put growth ahead of austerity. Ahead of the September 2016 summit in China, the US Treasury Secretary, Jack Lew, said a “consensus” had formed around the US position on the need for countries to “use all policy tools”, including monetary, fiscal and structural reforms.

The UK Government’s failure to co-ordinate fiscal and monetary measures to rebalance the economy following the financial crisis has left a toxic legacy of stagnating growth. The SNP understood the use of quantitative easing by the Bank of England as a response to the financial crash and a temporary measure to regain stability. However, the effectiveness of monetary policy has been gravely undermined by the austerity agenda and it leaves a legacy of unintended consequences that will put an unprecedented burden on future generations. The Bank of England should evaluate the effectiveness of its QE programme and the wider consequences of its continuation after the UK’s decision to leave the EU. The UK Government should reflect on that and put in place effective fiscal measures.

3.51 pm

Mr Steve Baker (Wycombe) (Con): I am delighted to participate in this debate and congratulate the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on securing it. I certainly support him. Like him, I am pleased to agree with my right hon. Friend the Prime Minister’s comments on monetary policy. That is certainly a first for me, and I hope to explore more with her how we should move forward.

I pay tribute to the journalist Tim Price of MoneyWeek for bringing forward a petition on the parliamentary website against QE, which has so far secured more than 4,700 signatures. I hope that by the end of this debate, with the enormous audience it is bound to draw, there will be a few more signatures.

One of the great tragedies of this subject is that, although we might think it is one of the most important issues of our time, it is not well understood, as can be seen from the attendance in the Chamber. Although the public feel the effects of it widely, their representatives are not as well equipped to participate in debates on the subject as they might be.

I will talk about the two areas mentioned in the motion: the effects of QE and the future development of policy. It might be helpful first to turn to page iv of the last inflation report, which sets out the channels through which monetary policy works. The first is by bringing forward spending by lowering the “real interest rate”. The next is by lowering debt servicing costs, which is the “credit channel”. There is the lowering of funding costs, which is the “credit channel”. It also mentions the “wealth channel”, which is people selling assets to the Bank, so that they can “reinvest the money received in other assets”, thereby supporting asset prices. The “exchange rate channel” bears consideration, given that our exchange rate has just dropped. That is an object of Bank policy. There is also the “confidence and expectations channel”, which demonstrates that the Governor, the Bank and the Monetary Policy Committee are aware of the importance of their role in the markets of creating expectations and the effect that that has on the real economy.

The hon. Member for Ross, Skye and Lochaber made some good points about wealth inequality—a matter on which I will dwell. In 2012, the Bank of England wrote a report on the distributional effects of asset purchases. It states:

“By pushing up a range of asset prices, asset purchases have boosted the value of households’ financial wealth held outside pension funds, but holdings are heavily skewed with the top 5% of households holding 40% of these assets.”
After the MPC’s last inflation report, the Treasury Committee picked up on wealth inequality and the extent to which it is promoted by what I would call “easy money” and by QE specifically. The Committee is increasing its focus on the issue. I am glad to see present the hon. Member for Bishop Auckland (Helen Goodman), who serves with me on the Committee, and I look forward to hearing what she has to say. I think that hon. Members on both sides of the House are converging on a genuine concern that the processes of the market are being undermined in their justice by the current set of monetary policies.

If anything, QE has an upside: it has made explicit a phenomenon that has been going on for a long time. The hon. Member for Ross, Skye and Lochaber mentioned the quantities of M4 outstanding. If we look back a bit further, we will see that M4 outstanding in 1997 was about £700 billion. If we plot the quantity of M4 outstanding, we will see an accelerating rush through that supposed moderation and in the quantity of M4 outstanding. Is it any wonder that we seemed to have abolished boom and bust, and seemed to be getting better off, when actually there was an enormous acceleration in the supply of credit, leading to a crisis, broadly a stagnation in the creation of money, and the categorically different economic environment in which we find ourselves today?

This has gone on for a long time. The Office for National Statistics and the Library published a paper looking at price inflation back to 1750. It has an instructive chart—I regret that I cannot put it on the record—which shows, on a linear scale, that the value of money was broadly flat until about 1914-18. There was some inflation during the wars and then, from 1971, the value of money collapsed. What happened in 1971? The final link to gold was severed and money became inflationary. As ever, Governments’ third means of financing themselves after tax and borrowing has been currency debasement, and it is that continuous, chronic expansion of credit that has brought us to the position we are in. Although we are now increasingly concerned about the wealth equality effects—the justice effects—of QE, the point is that the money supply has been chronically expansionary since 1971, and therefore those effects have been going on throughout my lifetime.

I will not read out the whole passage, but in “The Economic Consequences of the Peace”, Keynes wrote:

“By a continuing process of inflation”—

that is, increasing the money supply—

“governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some. The sight of this arbitrary rearrangement of riches strikes not only at security, but at confidence in the equity of the existing distribution of wealth.”

What has changed? Nothing much. That was, of course, only Keynes; I am not quoting some wild-eyed libertarian monetary scholar.

Is it any wonder—I have given advance notice of this—that we see reported in The Daily Telegraph today a speech by the hon. Member for Hayes and Harlington (John McDonnell), in which he said:

“We’ve got to demand systemic change. Look, I’m straight; I’m honest with people: I’m a Marxist... This is a classic crisis of the economy—a classic capitalist crisis. I’ve been waiting for this for a generation!”?

He went on to say, if the House will forgive me for repeating this:

“For Christ’s sake don’t waste it, you know; let’s use this to explain to people this system based on greed and profit does not work.”

I have covered this theme before. The point is that, if this is capitalism, I am not a capitalist. It is not capitalism when money, under the centrally planned and directed policy of a committee of wise men and women at the central Bank, creates a chronically expansionary environment, which we are now beginning to realise has real wealth effects. That is not capitalism. If the outcome is unjust, that is because of our monetary arrangements, in my view. There will be other factors, but I think that that is potentially a profound cause of wealth inequality and injustice in the market economy.

Jeremy Quin: I am interested in my hon. Friend’s speech; as is so often the case, he is sharing interesting ideas with the House. I totally get a lot of what he is saying about the inflationary trajectory, but, as a monetarist, would he have supported QE when the policy was launched in 2009—I know that I am going back a bit—given the circumstances at the time? He seems to think that it has run its course and ceased to be effective, but would he have supported it initially?

Mr Baker: My hon. Friend asks a magnificent question, one that is discussed on the website of the Cobden Centre—a think-tank that I co-founded. [Interruption.] There, I said it. The question is, “Would Hayek have supported QE?” The consensus of Hayek scholars is that, given all the circumstances at the time, he would have supported it, to prevent the money supply collapsing and the horrific humanitarian consequences that that would have involved. But would he have supported it now to try to stimulate the economy, creating patterns of economic activity sustained only by that expansion of the money supply? Flatly, no. I was not in Parliament at the time, and I am happy to tell my hon. Friend that I did not have to make that decision. We are where we are.

My second point is that I believe policy is now ineffective and counter-productive. The Governor told the Treasury Committee that we have “extraordinary, if not emergency” monetary policy; we have had it since 2009. I believe that if, during that seven-year period, productive investments could have been made, brought forward and induced by these low interest rates, they would have been made by now. When it comes to real productive investment, I think we are into the law of diminishing returns. We therefore run the risk of inducing firms to engage in activities that will not have a return—in other words, banks will make non-performing loans. That is, of course, the problem afflicting the Italian banking system, as we sit here.

The question is whether this monetary policy can produce a self-sustaining recovery and do it in a non-inflationary way. One of my advisers wrote to me before this debate to say that if we “remove the base effects from the collapse in oil prices—as will happen over the coming months—and then just let the underlying ‘core’ inflation trends continue as they are, CPI would be 4½% by mid-2017.”
That is something I shall ask the Governor about next time we see him.

Further to what the hon. Member for Ross, Skye and Lochaber said, Andrew Lilico, an economist at Europe Economics, has pointed out:

“In the three months to July 2016...the UK’s broad money supply (on the Bank of England’s preferred ‘M4e’ measure) grew at an annualised rate of 14.7%.”

When I raised this with the Governor at the last Treasury Committee meeting—I used the monthly figures; it is far starker if we look at it quarterly—I asked whether, if the money supply is currently growing by 14.7% annualised over three months, we should expect more or less inflation next year. I think that I know the answer, but when I put it to the Governor, his answer was that aggregates had moved away from the whole problem of inflation targeting. I encourage the hon. Member for Ross, Skye and Lochaber to have a look at exactly what he said. I shall return to some of the Governor’s remarks in a few moments.

Ian Blackford: I am very much enjoying listening to the hon. Gentleman’s contribution. Given the case that he outlines, does he consider that there is a bubble in financial assets and, indeed, in property assets, and if he does, what would he do about it today?

Mr Baker: I certainly agree with the hon. Gentleman. Indeed, the Bank of England’s Andy Haldane said that the Bank had deliberately inflated the biggest bond market bubble in history. That is not a literal quote because I do not have it before me, but that is broadly what he said. If we look at the period 1997 to 2010, the period before the crisis, and look at the regional distribution of house prices, we find an eerie correlation between it and the increase in the money supply. That distribution of changes correlates with what one might expect of Cantillon effects—in other words, in London and the south-east, house prices rocket away quicker and earlier, while in the north-east and Scotland, house prices increase more slowly as the money spreads out. My point is that there is a good case for saying that Cantillon effects and the increase of the money supply have a profound effect not only on particular assets, but on the regional distribution of prices. It is something that the Bank should consider in its report. It should speak to and address the issue.

Speaking as a humble aerospace and software engineer who has only read a few books, it is not within my gift to produce the research.

My next point is that this is a deliberate policy of manipulating asset prices, disrupting the price mechanism in the capital markets. Therefore, there will be a misallocation of capital. The Governor made a speech in New York at a monetary policy conference in which he acknowledged this phenomenon. I have tried to raise it further with him, but he is very good at moving the subject on. His speech was in defence of inflation targeting, and he dealt with four criticisms of it. The first was that price stability does not guarantee financial stability. He went on:

“Second, the stronger critique of the Austrian school is that inflation targeting can actively feed the creation of financial vulnerabilities, especially in the presence of positive supply shocks... From the Austrian perspective, this misguided response”—the response of the central bank—“stokes excess money and credit creation, resulting in an intertemporal misallocation of capital and the accumulation of imbalances over time. These imbalances eventually implode, leading to crisis and ‘bad’ deflation.”

It cannot be said that the Governor of the Bank of England is unaware of the somewhat unfortunately titled Austrian school of economics, which I believe in and which tells us that money creation has real structural effects on the economy that affect people’s everyday lives. I was going to challenge the Bank to include in its report an assessment of these things, to demonstrate whether or not it was aware of these effects, but the Governor’s speech has shown us that the Bank is aware. It should not only show in its report that it is aware, but justify what the Governor went on to imply, which is that, by using other instruments, it could deal with these structural consequences. That is one of the big questions of our time: whether or not the structural consequences of easy monetary policy can be dealt with using its other instruments. I am absolutely convinced they cannot be dealt with, and therefore we will have a worse crisis later than the one in 2008.

I sense that Mr Deputy Speaker would like me to wrap up, so I will just make the following point. This has gone from an exercise in saving the financial system to an exercise in kicking the can down the road. How will it develop in future? We have gone from low rates to QE, and I think we will go to negative rates. There has already been talk of banana cash. There have been discussions of helicopter money, too, and at the recent inflation report meeting, out of four people, only the Governor would rule out helicopter money. It is encouraging a misguided belief that if only we printed money and gave it to everybody, there would be justice. This kind of naive inflationism is madness.

Ian Blackford indicated assent.

Mr Baker: I am grateful to the hon. Gentleman for agreeing with me.

We have got to get to a point where we escape from easy monetary policies. That will come through one of three mechanisms: a self-sustaining recovery, which I emphasise I very much hope for—I hope that the Bank, and all the central banks, are right on that—or the next phase will be massive inflation, or there will be an abandonment of easy monetary policies before either of those things, at which point there will be an horrific correction.

The great question for society and us as representatives, and indeed for monetary economists, is going to be what went wrong. Will people blame the free market and vote for the policies of certain Opposition Members, which will lead to more statism and I would argue impoverishment and misery? Or will people blame central planning by central banks, which is deliberately dislocating our economy, manufacturing injustice and undermining faith in the market economy and has dropped us into a profound crisis of political economy?

I very much welcome this motion. I shall certainly support it, and I congratulate the hon. Member for Ross, Skye and Lochaber on moving it.

4.8 pm

Helen Goodman (Bishop Auckland) (Lab): I congratulate the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on securing this important debate, and I am pleased to follow the hon. Member for Wycombe (Mr Baker), with whom I have discussed these issues on several occasions.
Inequality is one of the most profound problems facing this country and it is getting worse. The problem of inequality is exacerbating differences between different social groups, dividing families, because there are big intergenerational gaps, and also dividing this country geographically, with very significant regional inequalities. So to learn that the Bank of England’s quantitative easing is expanding these gaps between rich and poor is extremely alarming.

As the hon. Member for Ross, Skye and Lochaber said, the Bank undertook its own analysis of the impact of QE in 2012. I think that what it found was that the top 5% had seen an increase in their wealth of £185,000 and the bottom 50% got no increase in their wealth because they did not have assets.

Unlike the hon. Member for Wycombe, I am not critical of QE in principle or of the package the Bank of England unveiled in the early summer, because I think Brexit is a real shock to the economy and we do need to take action to stabilise it and avert the reductions in growth that would otherwise occur. None the less, I am not satisfied that the Bank had demonstrated that the way in which it was carrying out quantitative easing was the best way, which is why I think it worthwhile for us to examine the issue in more detail.

Just to set in context the increase in the asset holdings of the top 5%—a considerable part of it being in the housing market and property prices—it is worth observing that the average house price in Britain is now £212,000. What we are saying is that, in practice, the Bank of England has given the top 5% enough money to buy another house. Were the Chancellor of the Exchequer to stand up at the Dispatch Box and say, in the Budget or the autumn statement, “I am giving £85,000 to the richest people in the country”, I think that even Conservative Members would be alarmed and concerned, and perhaps even slightly rebellious. But because it is being done by the Bank of England and is rather hidden, we are not seeing the same level of concern, and we need to see the same level of concern.

Moreover, it is a problem when the ratio of average earnings to average house prices is eight to one. That puts the possibility of home ownership way beyond many millions of people, which is why home ownership is faltering. Of course we need to address the housing market, and of course we need an increase in the supply of housing, but we are not seeing that at the moment, and QE is making the situation worse.

Jeremy Quin: I entirely understand the point that the hon. Lady is making, and I accept what she said about the Chancellor of the Exchequer coming to the Dispatch Box and so forth, but I would not wish the message to go from the House to a broader audience that that was an intended aspect of the policy. When QE was introduced by the last Labour Administration, it was introduced with the perfectly admirable intention of ensuring that GDP growth was improved and inflation targeted. I would not wish the wrong message to go out on the intention of the policy; we are debating potential side-effects that may or may not have occurred.

Helen Goodman: What the hon. Gentleman says is absolutely fair, and I agree with him. I would not go so far as to say, “Labour QE good, Tory QE bad”—I think that would be slightly Orwellian—and, as I said initially, I was not saying that I did not think there should have been another package this summer. My questions are about the way in which that is done.

Along with the hon. Member for Wycombe, I have quizzed the Bank of England about the matter on three separate occasions. On the first occasion, when I asked the Governor about the distribution impact, he said that taking account of distribution would be political. I cannot see how giving wealthy people more assets is not political. However, we have questioned the Bank more recently, and it seems to me that people in different parts of it say different things. I think it would be unfair to say that they speak with forked tongues. However, on one hand the chief economist, Andy Haldane, has said that monetary policy “cannot close other structural faultlines across the UK economy—for example, regional, socio-economic, inter-generational... Monetary policy cannot set different interest rates for different regions”;

and also that UK recovery has been “for the few rather than the many”.

That seems to be a criticism of an unequal society. Andy Haldane seems to be saying that this is not good socially and it is not good economically.

On the other hand, when the Treasury Committee questioned Sir Jon Cunliffe on the matter, he said: “I would only point out that we have the tools we have.”

That is a bit like “Brexit means Brexit”. It is a rather gnomic and unhelpful approach. I think it is stalling; I think that the Bank does not want to look at different ways of carrying out QE, and I do not think it is being sufficiently imaginative.

In January I visited the European Central Bank in Frankfurt and asked how it does QE. It does it in different ways, and it is able to do so in part because the financial infrastructure is different in other countries. For example, it does not just buy Government bonds and gilts; it buys bonds in KfW and CADES—the German and French infrastructure banks—and it has a special strand that aims to get more money into the small and medium-sized enterprise sector. So I do not accept the Bank of England saying, “We have the tools that we have and there is nothing different we can do.”

I commend to the Bank some work that the New Economics Foundation has done on this. It seems to me that the Bank could be buying investments in housing associations, for example. In fact, that would be a much better way of dealing with our housing crisis than giving a lot of money to rich people, thereby pulling up property prices. I do not think that the Bank has a very good understanding of the housing market—we have quizzed its officials on that as well. For example, the Governor told us last week:

“Housing finance in this economy is quite sophisticated.”

I do not think that it is sophisticated; I think that it is quite dysfunctional, because we are seeing more and more money going into people exchanging properties, rather than going into more building, which is what would actually make a difference to the housing crisis.

I really hope that the Bank will not only better analyse what it is doing, as the motion suggests—it did commit to come back in September 2018 with renewed analysis of the impact on assets and wealth distribution of this further round of QE—
Ian Blackford: Will the hon. Lady just confirm that the Bank of England said that it would come back in September 2018? I hope that it will come back before then, because otherwise it suggests a complacency and unwillingness to analyse the situation and give us the information that I think this House should be demanding.

Helen Goodman: Well, that is probably my fault, because I asked it to do so by September 2018. We could ask it for something here and now, but obviously the new package was only announced in August and its impact will be felt some way down the track. My thinking was that there will be no point trying to analyse the new package by Christmas, because we will just not see it.

In addition to having a better understanding of all the effects of its QE programme, the Bank needs to look at what other central banks do, including the European Central Bank because there could be some useful lessons. I think that we might get some better effects if we tweaked it a bit. I have to say that it has a bit of a blind spot when it comes to the issue of distribution. When we quizzed its officials about their purchase of corporate bonds, they said that they were distributionally blind. In other words, they wanted to be completely neutral and not take a position. When we asked them about the distribution of wealth among households, they seemed to confuse being politically neutral with not taking a view on the significance of distribution. I think that is a mistake. I also think that if we are piling lots of money towards richer and richer people, the monetary impact is likely to be much less, because the propensity of the wealthy to consume is much less than that of people on low incomes, so it is not even being done in the most effective way.

I will read what the Bank said:

"the Chairman made some points a little earlier about accountability and the Bank being involved in decisions that were the province of politicians, or some might think would be the province of politicians."

It went on to say that the tools it has

"are not perfect...However, we have a clear objective, which Parliament has given us...and we have certain tools to implement it. It does have distributional effects, and if we were to be in the business then of deciding what the distributional effects should be, we would be striving even further into areas that are really the province of elected politicians."

That is a fundamental misapprehension. The hon. Member for Horsham (Jeremy Quin) pointed out that QE was embarked upon in 2009 to speed up growth; the distributional impacts were not in mind. However, now we know that it is producing those wealth effects, it is disingenuous to ignore them. That is the position the Bank is trying to take and we need to push back. I am grateful that the hon. Member for Ross, Skye and Lochaber has given us the opportunity to do that in the House today.

4.21 pm

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): It is with some inevitable trepidation that I stand to speak in the debate, given the eloquence and experience of those who have spoken before me, not least the experience of a modest crofter from Skye, my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). I was taken not only by his great eloquence but by every contribution this afternoon in what, inevitably, is one of the most important debates that I have taken part in. It is also one of the most thoughtful. While others can wax eloquent given their experience in the financial sector over many years and with distinguished careers, I come to this issue trying perhaps to give voice to others who do not have that background.

The ordinary person in the street would recognise that we live in troubled times. There is increased uncertainty and the stability and certainties of the past seem to have flown past. For example, who could have foreseen at the outset of QE that today many economies would be experiencing weak growth, low business investment, collapsing prospects for pensions, near negative interest rates penalising savers and a huge increase, as the hon. Member for Bishop Auckland (Helen Goodman) said, in wealth inequality.

I would like to add something else to the equation. We need to recognise the political instability that has arisen. People are feeling that they are disfranchised, have no voice and are losing hope. That is one of the profound social and political consequences that deserves to be considered.

It was not supposed to be like this. It may be wise to cast a critical eye over what seemed to most people, myself included, an entirely logical response to the crisis some years ago. It is good that people are able to reflect. Although it comes hard for many politicians, it is good when we, too, are modest enough to recognise that we do not always get it right and that we need to learn from experience. For example, many people in recent years feel that the UK Government’s economic plan has been blind to some of the consequences of QE. That is seen in the poverty, in many cases, of the fiscal response to aid those who are not benefiting from the increasing wealth. The Treasury needs to think about doing more to achieve a better balance between the fiscal response and the monetary response. The time is surely right for it to mount a rigorous and open appraisal of the balance between monetary policy and fiscal measures, and of whether each of the rounds of QE has had the desired effect. The Bank could also look at that question.

Let us recall some of the antecedents of QE. I might not have worked in a bank at any time—the only time I go into the bank is when I receive a phone call from it—but in a past life, I used to read quite a lot about this subject. Everyone attending this debate will recall that it was back in 1969, in a paper by Milton Friedman entitled “The Optimum Quantity of Money”, that the idea of what we know today as QE was created. Friedman contended that if policy interest rates reached the lower bound of zero, it would be appropriate for a central bank to purchase assets—Government bonds in the first instance—to create a wealth effect that it was no longer possible to achieve through the conventional interest rate policy of the central bank. Friedman’s notion of quantitative easing was that asset prices would be boosted, leading to an increase in confidence and spending through the wealth effect. In turn, economic activity would be given a boost.

In more recent times, however, even that great monetarist Allan Meltzer—who has written widely on the development and application of monetary policy and on the history of central banking in the US—has questioned the efficacy of QE, arguing that it has not led to what Friedman expected. In particular, the key aim of creating an
increase in confidence and therefore investment has not transpired as hoped. Today, too, central bankers seem content to see inflated asset prices. But who speaks for the millions of savers around the world? Who speaks for the ordinary men and women who have paid the price of banking failure? Where were the UK Government when our economy failed to diversify or balance in the aftermath of the global financial crisis? Where were the necessary fiscal measures when it transpired that the relatively poor were paying the price for the mistakes of the wealthy? The SNP and others understood the use of quantitative easing by the Bank of England as a response to the 2008 crisis to be a temporary measure to help to regain stability. How long, I now ask, is this temporary measure going to last?

I agree with my hon. Friend the crofter that the effects of monetary policy have to a great extent been undermined by the austerity agenda, which is now leaving a legacy of unintended consequences that is placing an unprecedented burden on future generations. Broadly speaking, the policies being followed by central banks around the world benefit a relatively narrow group of people—equity-rich individuals and investment banks, for example—but few others. It is the unintended—of QE that must now be the focus of policymakers.

Mr Baker: I agree with much of what the hon. Gentleman is saying. The Bank of England is not represented here, and I do not agree with it, but if it were here, I suspect that it would say that everybody benefited, given the reality that there would have been a worse recession if it had not acted. Does he agree that that argument is now wearing thin?

Roger Mullin: The hon. Gentleman must have read the next part of my speech. However, that allows me to hasten along and agree precisely with what he has said.

A friend of mine, Dr Jim Walker, wrote to me recently and pointed out that “interest rates throughout history have not only been the cost of capital (or the reward to thrift) but have also been a signalling mechanism about the future”.

We now know that zero interest rates and QE tell business owners and entrepreneurs that there is little or no growth coming. They therefore encourage businesses to hold cash and be extremely cautious about investment. The signalling mechanisms have had a different effect from those predicted by Friedman. It is again time to review the situation. It would be difficult to argue that QE has therefore led to the increase in confidence and investment that was the argument for it.

We can also see other consequences. Despite eight years of near zero interest rates, UK real gross fixed capital formation is 2.8% lower than its 2007 peak. Therefore, investment in the real economy has not been boosted in the way that was originally thought. A similar phenomenon has been going on in other aspects of the economy on the demand side, such as in how households have been affected. Zero interest rates and asset purchases were supposed to convince ordinary people to borrow and spend more immediately, but some key groups have reacted to zero interest rates by saving more. Why? In order to provide for old age, they can no longer rely on the positive compounding effect of above zero interest rates; nor can they rely on getting the type of annuity for which they may have planned. Instead of encouraging that group to spend, policies have encouraged them to save more due to fear for the future. Such savers are understandably angry. After years of saving some of their income, many people have zero income from their savings.

I am not somebody who is disadvantaged—I have a well-paid job in this House—but I wonder how people who, like me, have a cash ISA are feeling. Before the crash, it was fairly common to get 6% interest, but I received a letter a few weeks ago to point out that from 1 December the interest rate is going to be reduced yet again to 0.1%. The time has come to undertake a critical review of the policies of recent years.

Mr Deputy Speaker (Mr Lindsay Hoyle): I say to the Front-Bench spokesmen that there are three of them and we are going to finish at 5 pm.

4.32 pm

George Kerevan (East Lothian) (SNP): We are a small but enthusiastic band this afternoon, but it strikes me that there is something serious here. For the last eight years, the entire western world has been undertaking the most extraordinary monetary experiment in 100 years. If it goes wrong, as pointed out by the hon. Member for Wycombe (Mr Baker), the consequences will be devastating for the world economy. We may find that all we did in 2008 was delay the explosion of the world’s economy. It is that serious. I hope that the Bank of England and the regulatory authorities are watching via the camera lenses around the Chamber. This debate should not be seen as an attack on the Bank of England, however. There was an emergency in 2008 and the Federal Reserve and the Bank of England stepped in, and quantitative easing was an interesting device—an emergency brake on the banking crisis. As hon. Members have said, eight years on we should be looking at what else needs to be done.

To use a homely analogy that I hope the technical experts in the Chamber will not blanch at, in 2008 there was a fire in the financial system and we used a high-pressure hose called quantitative easing. Once the fire dampens down, if we keep on using the hose and hose everything in case the fire comes back up, we destroy everything in the house. If we look at the unintended consequences of QE, it is contributing to global deflation. There is inflation in parts, bubbling up through the system, but we have had deflation, which attacks the incentive to invest. We are destroying the propensity to save by bringing interest rates down to near zero. We are destroying bank profits. Has anyone looked at bank share prices over the past couple of years? We saved the banks in 2008 only to destroy their business model through the unintended consequences of QE. Who is going to do something about that?

If we do not do something about it, we will be into another banking crisis of a different kind. In the last two rounds of QE, in the EU and Japan, over the past 12 months, we have started a process of competitive devaluations. We are back to the 1930s economic response is, “Let’s devalue the currency. That will help our exports.” Once everyone does it, we are in the 1930s situation of beggar-my-neighbour, which inevitably leads
to all sorts of political tensions. The Chinese Government are at the moment saying that they are not devaluing, but they are privately devaluing, as we can see if we look at what is happening in the international markets. Exchange rate competition is a dangerous, toxic thing, and it is a direct flow from what QE is now being used for.

As the hon. Member for Wycombe pointed out, the whole process has grossly distorted asset prices, so that when we unwind, it will be a case of, “Who knows what we have been investing in, and whether it has been the right thing or the wrong thing?” There has been discussion about house prices, but it is clear that a series of industrial investments and other kinds of investment could be seen to be the wrong ones once prices rebalance, which of course is making people nervous.

It is rare for me to do this, but I will disagree gently with the hon. Member for Bishop Auckland (Helen Goodman), because I do not think it is a question of using QE for something else in a better way. If we look at the Bank of England’s recent announcement of the £10 billion it is trying to put into company paper, we see that it has chosen 300 companies’ bonds in which it is considering investing this money over the next 18 months. What bonds was it choosing? The Bank of England said it was those of companies that had made “a material contribution to the UK economy”.

Let me read out the names of some of the companies whose corporate paper the Bank of England is planning to put that £10 billion into. They include: Apple; AT&T; McDonald’s; Pepsi—not Coke, but Pepsi; Proctor & Gamble; UPS; Verizon; and Walmart. We are funding McDonald’s; Pepsi—not Coke, but Pepsi; Proctor & Gamble; UPS; Verizon; and Walmart. We are funding the Bank’s definition of “material contribution to the British economy.” I agree with the hon. Gentleman that the Bank’s definition of “material contribution to the British economy” is inadequate. Like him, I do not think it is very helpful to be investing in fizzy drinks, but we do need to acknowledge that Siemens has a fantastic development in east Yorkshire and that that is good; that is a proper contribution. I do not think he is really arguing against me—

**Helen Goodman:** I agree with the hon. Gentleman. The Bank’s definition of “material contribution to the British economy” is inadequate. Like him, I do not think it is very helpful to be investing in fizzy drinks, but we do need to acknowledge that Siemens has a fantastic development in east Yorkshire and that that is good; that is a proper contribution. I do not think he is really arguing against me—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Come on, sit down.

**George Kerevan:** I take the hon. Lady’s point, but underlining what I am saying is the fact that only six British manufacturing export companies are on the list of those 300 bonds that the Bank of England thinks are quality enough to invest in. The whole thing that undermines the trajectory of QE is that it is concentrated on saving a banking system at the expense of our manufacturing system.

What do we do next? We have not said enough about that. We should consider shifting the Bank of England’s targets. The inflation target is the wrong one, and we have spent years ignoring it in any case, which means the Bank has no intellectual anchor, and that raises dangers in respect of the accountability of the Bank of England. We should be looking at nominal GDP targeting, in which case the Bank or the monetary authorities would have to be looking at automatic fiscal buffers, whether we are in a recession or in boom. That brings us back to the whole question of how we rehabilitate the fiscal intervention. At some stage, we are going to have to unwind QE. We have to do that in a controlled fashion, so one thing the Bank should be looking at in any evaluation is what timetable we use. If we have a timetable for the unwinding, that will help the markets to adjust in a better fashion. There is a danger, which we might find when we start to unwind, that the natural rate of interest has fallen so low that monetary policy has been undermined in a historic or generational sense, which again means we have to look seriously at how we combine fiscal policy with monetary policy. It would be unwise to unwind QE in the UK alone. What we should consider is a concerted international approach, which must involve some of the surplus countries such as Germany using their trade surpluses in a controlled fashion to boost consumption.

In the autumn statement, it is incumbent on the Government not to leave all the heavy lifting to the Bank of England. It is time that the Government made an intervention in a strong fiscal policy to allow the transition from QE.

4.40 pm

**Peter Dowd** (Bootle) (Lab): It has been geek central in the House this afternoon. I thank the hon. Member for Ross, Skye and Lochaber (Ian Blackford) for bringing this debate to the Chamber. I agree that a marriage between fiscal policy and monetary policy, which works in a constructive fashion, is a fair point. I also agree with the hon. Member for Wycombe (Mr Baker) about the wealth inequality and wealth justice effects of QE, but that is probably as far as our agreement goes given that he is a member of the Austrian school.

As for my hon. Friend the Member for Bishop Auckland (Helen Goodman), she is always lively and insightful on these matters. She talked about inequality per se and the regional inequalities in particular, and how QE may be able to overcome them. The hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullan) is modesty itself, and was as interesting as ever. Again, he talked about inequality and a better balance between fiscal and monetary policy. He said that the unintended consequences of QE must be a focus of attention. Finally, the hon. Member for East Lothian (George Kerevan) also talked about the unintended consequences of QE.

In response to a question about his confidence in the efficacy of quantitative easing, Ben Bernanke, the former chairman of the Federal Reserve, half-jokingly said that it worked in practice but not in theory. Such an off-the-cuff comment had some validity to it, but to an extent it is a moot point, and that is the very essence of today’s debate. Many Members will recall the former Labour Chancellor, Lord Darling, standing in this Chamber in 2009 talking about quantitative easing, or QE. Difficult times called for resourceful measures and the Labour Government had to consider all the potential policy responses to prevent or ameliorate a recession. This was not an isolated action; other countries have taken a similar path to some degree or other.

As Members will know, the first round of QE resulted in several tranches of gilt purchases—that was referred to earlier. By the 2010 general election, around £200 billion...
quantitative easing had been added to the Bank of England’s balance sheet, which still remains there to date. The predictions of wild hyperinflation, which came from some quarters, have been long forgotten. As I will suggest later, the precise effects of this relatively new approach are still being hotly debated, but we should all acknowledge the willingness of the Labour Government to consider policy measures outside the usual range.

Not long after taking office, the then Chancellor, the right hon. Member for Tatton (Mr Osborne), restarted the QE programme, giving authority to the Bank of England to print almost another £200 billion for the purchase of Government bonds. However, unlike the QE process under the last Labour Government, the post-2010 QE incarcation took place at the same time as the coalition Government were budgeting, year after year, for more and deeper cuts to public spending. As alluded to earlier, opinion remains sharply divided about the effectiveness of QE, but to judge its effectiveness, we must first agree, if possible, on what its aims were. However, there is little consensus on even that matter.

First, if the goal was to support nominal demand and prevent a deflationary spiral, there would seem to be broad agreement that inflation should have been lower without QE. Academic studies have consistently indicated that inflation, some five years ago, was around 1 percentage point higher than it would have been without QE.

Secondly, if the aim of QE was to support real GDP growth, there is, unfortunately, little agreement. The Bank of England estimates that economic growth would have been at least 1.5% lower in the absence of the first round of QE. Other economic studies have ranged from close to zero—no real effects at all—to around 2 percentage points of extra growth. The debate is likely to continue for some time, and of course the Labour party will watch developments closely.

A third potential motivation for QE was to increase the supply of credit. There is still considerable uncertainty about the extent to which QE has achieved this aim—a point touched on today. Last July, a post on the Bank of England’s blog argued that there was little evidence of QE having boosted the supply of credit:

“we find no evidence to suggest that QE boosted bank lending in the UK through a bank lending channel”.

Of course, other opinions are available.

When we look at the success or otherwise of QE, we must of course take into account the circumstances in which it happened. The first round of QE took place under conditions of supportive fiscal policy, as was referred to. Unfortunately, the Chancellor of the Exchequer between 2010 and 2016 adopted a fiscal approach at odds with that of almost every respected macroeconomist; he repeatedly targeted a smaller deficit, even when austerity measures failed to achieve their stated aim. His record will not be looked on favourably by history.

The Labour party welcomed the statement by the new Prime Minister and her Chancellor that they would ignore the only remaining target of the latest charter for budget responsibility, which lies in tatters after less than a year. A dawning realisation that there was little likelihood to achieve their stated aim will of course be achieved in 2020 may have finally put an end to the failed economic approach that has characterised the past six years, but we remain in the dark about what will replace it. Britain is on hold while we wait for another two months to find out even the most basic outline of the new Government’s fiscal policy. The Labour party, and millions more nationwide, will hope that the new Chancellor, who sat at the Cabinet table throughout the last Administration, does not repeat the mistakes of the past.

Until the Chancellor pulls his finger out and finally outlines his plans, the Bank of England has sole responsibility for ensuring that the economy gets through the post-Brexit uncertainty. Last month, the Monetary Policy Committee announced the restarting of QE, including further purchases of £60 billion of Government bonds and up to £10 billion of corporate bonds. It is obviously too early to say whether these actions, which the hon. Member for East Lothian referred to, have delivered against any of the criteria mentioned earlier. Indeed, the statement of the MPC today in essence indicates that the Bank continues to keep a watchful eye on the effects of QE in particular and, more generally, the broader macroeconomic environment.

Last year, the European Central Bank began its own full-speed QE programme, similar in many regards to our own; it, too, includes bonds issued by institutions and agencies, including the European Investment Bank and the Nordic Investment Bank. Of course, if we had a UK national investment bank, another possible policy tool would be made available to the Bank—a point alluded to by my hon. Friend the Member for Bishop Auckland. Any decision about the potential use of QE in the context of a national investment bank would be made by the MPC.

My hon. Friend the Member for Hayes and Harlington (John McDonnell), the shadow Chancellor, pointed out in a recent Financial Times article that

“The operational independence of the Monetary Policy Committee is sacrosanct.”

That would include any decisions about QE, conventional or otherwise. However, set against any benefits of QE, there must be a serious consideration of any distributional impacts. As early as 2012, the Bank of England released a report looking at potential outcomes. It raised questions about the effect on pension schemes, especially those already in deficit. It concluded that the QE that had already taken place amounted to an increase in wealth of £10,000 per person, if it was equally distributed. Of course, as was said today, few think that the benefits of that increase in wealth have been equally distributed.

The Bank’s research suggests that as the action increased the value of assets, those who already hold assets will have benefited disproportionately. It notes that the wealthiest 5% of the population hold 40% of non-pension assets, but no one should be surprised by that: one of the aims of QE has always been to push down interest rates, and one of its effects has unquestionably been to push up the value of shares and other assets, including housing, and ownership of shares and other financial assets is distributed unfairly.

We would welcome any further study, to be conducted by the Government or others, on the effectiveness of unconventional monetary policy, so we support the motion. Most importantly, however, the country needs a signal from the Chancellor about his intentions for future fiscal policy, and waiting till November is not good enough. We know that lowering assumptions about
future interest rates will keep down public borrowing, but we need to know whether or not the investment that the country urgently needs is finally on the way. We cannot afford to rely on the Bank of England alone to take responsibility for managing the macro economy.

4.50 pm

The Economic Secretary to the Treasury (Simon Kirby):
I thank the hon. Member for Ross, Skye and Lochaber (Ian Blackford) for securing the debate. The subject of quantitative easing attracts a wide range of opinions, as has been convincingly demonstrated in the Chamber today. This Back-Bench business debate has been an example of something that is small but perfectly formed. It has been a very interesting debate. The topic is extremely important to our economy and I know that Members across the House will join me in thanking the hon. Gentleman for giving us the opportunity to discuss it.

Let me begin by setting out briefly the Bank of England’s role in the monetary policy of this country. The first thing to stress is that the Bank of England, and its Monetary Policy Committee, are rightly independent from the Government. The MPC holds responsibility for setting monetary policy to meet its clearly defined objectives, as set out in law. Its primary objective is to maintain price stability, defined by the Government’s inflation target of 2%, as measured under the consumer prices index. The MPC is empowered to deploy unconventional policy measures, such as quantitative easing, when necessary, to meet this objective. Wherever such instruments are used, the committee is expected to work with the Government to make sure that appropriate governance arrangements are in place to ensure its accountability.

Following the financial crisis in 2009, as Members are aware, the Bank of England was authorised to begin quantitative easing, establishing an asset purchase facility to improve liquidity in credit markets. This provided an additional tool by which the Bank’s committee could adjust our monetary policy. In August this year, the MPC judged that in the absence of monetary stimulus, there would be undesirable volatility in output and employment, and a sustainable return of inflation to the target in the medium term was less likely. As a result, the MPC expanded its programme of asset purchases and established the term funding scheme as a mechanism to ensure that banks passed on the benefits of low interest rates to our businesses and to the public as a whole.

Although financial markets have reacted positively to the latest round of quantitative easing, it will take several months before we know how the economy has responded, as is always the case. Time will need to pass before it is possible to make a full assessment of the latest round of asset purchases. Both the Government and the MPC place enormous weight on the need to research the wider impacts of our monetary policy across our society. In line with our determination to make sure that this is a country that works for everyone, we want to ensure that our businesses and the general public all benefit from the lower borrowing costs established through the Bank’s monetary policies.

Let me deal with some of the points raised. The hon. Gentleman, the modest crofter from Skye, mentioned the need for fiscal stimulus. Monetary policy tools are the first line of defence against a macroeconomic shock, and the Government will set out their fiscal plans in the usual way in the autumn statement. The hon. Gentleman suggested that there had been little growth in M4 in the past eight years since QE was introduced. However, the relationship between monetary aggregates and inflation is tenuous, and monetary aggregates are not systematically targeted by central banks. To target monetary aggregates, there would have to be a direct relationship between the monetary supply and inflation. For this to be the case, there would have to be a degree of stability in the velocity of money—the speed at which money circulates around the economy. I hope that is clear.

The hon. Gentleman mentioned the impact on savers. Building a strong economy is in everyone’s interests, and the MPC’s remit makes clear that ensuring price stability is the prerequisite for economic prosperity. He also mentioned pensions, and the best possible protection for pensions comes from strong, sustainable employers and a buoyant economy, so it is important that action is taken to support that economy.

My hon. Friend the Member for Wycombe (Mr Baker) speaks with passion on this subject, and it is obviously of great interest to him. I have looked at his excellent website, stevebaker.info, where he considers, among other matters, whether the whole economic system runs on funny money. He mentioned wealth inequality and monetary policy, and those are two very important areas. The Governor of the Bank of England has stated that this package will ensure a better economic outcome for all. Economic recovery will boost incomes and help all individuals, including those at the lowest end of the economic distribution. Inequality is lower—we should not forget this—than it was in 2010.

Helen Goodman: Will the hon. Gentleman give way?

Simon Kirby: I would rather not give way, because I am genuinely trying to answer everyone’s points. I do not have a lot of time, because everyone has been so full in their contributions, but the hon. Lady can speak to me afterwards. If she wants to raise an additional point, I would be really pleased to deal with that.

The hon. Lady mentioned that QE is the responsibility of the MPC of the Bank of England. She questioned whether that was right, and she questioned the accountability of the Bank of England. I say to her that Members have the opportunity to engage with the MPC through, for example, the inflation report hearings of the Treasury Committee. The MPC is also accountable to the public. For instance, in October the Governor and the deputy governors will spend the day in the Midlands meeting a wide cross-section of society to listen to the feedback and ideas of the public, and I am sure that they will take that feedback and those ideas very seriously.

The hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) was very interesting—perhaps the most interesting point was the description of the crofter from Skye. He clearly feels passionately about this subject, and he made a useful contribution to the debate.

The hon. Member for East Lothian (George Kerevan) wanted to hear more about the autumn statement. I am very sad to tell him that he will be disappointed; he will just have to wait and see, as happens every year in the normal manner, no matter who is in government.
The hon. Member for Bootle (Peter Dowd) reminded us of what is now a dim and receding memory—the last Labour Government. He talked about how there was going to be hyperinflation and it did not happen, and about how the whole issue of QE was hotly debated at the time. I imagine that it is something that we will continue to hotly debate for some time.

To conclude, the independent MPC of the Bank of England has a hugely important role to play in these difficult times in maintaining monetary stability in this country. It has taken a range of steps to achieve this objective and will be closely monitoring the impact of this action. Let me remind the House once again that Members can take an interest; the MPC remains accountable to Parliament, and I would suggest that many more people take an interest in the inflation report hearings of the Treasury Committee.

4.59 pm

Ian Blackford: I thank the Backbench Business Committee for granting this debate and all the Members who have participated. We have had a well-informed, fascinating debate. I hope that this the start of something whereby we have signalled to the Bank of England, which I am sure will be getting a report of our proceedings, that we wish to see a more fundamental analysis of the outcomes of the QE programme. There has been a very clear message to the Government—as shown by all the actions that we have seen internationally, with the words from the OECD and even from the US authorities—that there has to be a linkage between monetary and fiscal policy. A number of Members have delivered a very strong message that we really have to make sure that we deal with wealth inequality. I look forward to carrying on this debate, and look forward to the Government addressing the issue in the autumn statement.

Helen Goodman: On a point of order, Mr Deputy Speaker. Five minutes ago, the Minister said at the Dispatch Box that inequality in this country is lessening. On some measures of income inequality, that is true, but this afternoon we were debating wealth inequality.

Mr Deputy Speaker (Mr Lindsay Hoyle): The hon. Lady has been here a long time, and she knows that is not a point of order. I cannot continue the debate because it is now past 5 o’clock. If she had not wasted time when she was trying to make the intervention, she could have got her point across.

5.1 pm

Motion lapsed (Standing Order No. 9(3)).

Richard Arkless (Dumfries and Galloway) (SNP): On a point of order, Mr Deputy Speaker. I apologise for the late notice of my point of order, but it is about a situation that has been developing this afternoon. Dozens of my constituents have approached me this afternoon having had their tax credits withdrawn arbitrarily by HMRC through the Concentrix contract. HMRC has designated a team of people to deal with these issues, which are apparently UK-wide. It takes a 45-minute call to deal with one case. I have dozens of constituents this evening who literally have no money to feed themselves or get the kids out of the door tomorrow morning. I am very concerned that the House is rising at this point and I will not be able to bring these matters to the attention of the Department for Work and Pensions or the House today, tomorrow or on Monday, to cajole some action to get this fixed. There are people who are literally about to starve and the House is about to disappear on recess. Is there anything that you could offer me by way of advice?

Mr Deputy Speaker: One thing I would say is that you have got it on the record. I think that Ministers are listening and they have got the point. This issue has been debated this week on a couple of occasions; in fact, there was an urgent question on it yesterday. There are still Ministers here, and I would have thought that the message will be going straight back to HMRC. I think there has been an indication from the Minister to say, “Let’s have a conversation,” so if nothing else, at least you have made progress in making him aware now.
Financial Services: EU Markets

Motion made, and Question proposed. That this House do now adjourn.—(Chris Heaton-Harris.)

5.2 pm

Chris Leslie (Nottingham East) (Lab/Co-op): Twelve per cent. of our country’s economic output derives from financial services. We have over 2 million jobs in the financial services sector, mostly outside the capital city. In Nottingham alone, companies such as Experian, Capital One and Ikano, and over 500 other firms, operate in the financial services sector. Crucially, it generates £60 billion of revenue for the Treasury—money that, in turn, pays for schools, policing, and the NHS. We have more exports of financial services, and more financial services headquarters, than any other country. In short, Britain excels at financial and related professional services: not just banking but insurance, accountancy, legal services, asset management, and much more besides. We all rely on the future success of this sector.

We cannot forget, of course, that the banking crisis shook confidence in the sector—not just among traders and businesses themselves but among the public—and taxpayers were left to pick up the pieces. Since 2008, the UK has seen its markets hit, with fewer IPOs—initial public offerings—and stiff competition internationally. This is far from a static sector, and there are so many opportunities for the UK in a positive sense, from fintech and from innovation flowing from sharing economy developments. Yet the competitors are circling, with big growth in Asian financial centres and New York expanding very quickly into investment management. Now the sector faces a virtually existential challenge: how to exit from the European Union without undermining this important cornerstone of our economy.

Some parts of the financial services sector will be more affected than others. Domestic retail banking may be marginally affected, but for some in the wholesale sector, leaving the single market would not mean tariffs rising by 10% or 40%, but ending their right to sell products in such markets completely. I wanted to raise this issue with Treasury Ministers, and I wrote to them in advance of this debate to ask specifically about five points of particular concern.

The first point, which may seem blindingly obvious, is that we need to retain the UK as the global financial centre. It is essential that we do nothing to undermine the UK in that leading role. That may seem an obvious request to make to Ministers, but it is worth getting them to put on the record a commitment to maintaining our country’s front-runner status. Will the Government commit to maintaining our breadth of specialisation in this unique cluster of services? An erosion in the economies of scale or in our concentration of skills and services would be detrimental to the wider economy at large. That is the first commitment I am looking for from the Government.

The second point it is vital to talk about is alignment. Are the Government aiming to maintain as much of our existing access to the single market and European economic area as possible, or will they look to adopt a lower regulation, lower tax approach relative to the countries in the rest of the European Union? This is a crucial point because maintaining an equivalent and comparable regulatory framework with the rest of the EU will help us to retain crucial access to those markets. If Britain takes the divergent path, we not only risk having market access restricted, but increase the hazard for our taxpayers, who need robust regulation to protect them from any future financial disaster. I therefore urge the Minister not to listen to, for example, the noble Lord Lawson, who wrote in the Financial Times—last week, I think—that “the benefit of intelligent deregulation…which we demonstrated in the 1980s…offers the prospect of the greatest economic gain.” I do not believe that the Government should follow that path, and I hope the Minister will resist such siren voices.

If we allow Brexit to cloud our judgment or take it as a chance to forget the catastrophic impact of excessive risk taking, opaque products and reckless behaviour, we will be taking a big step backwards and unlearning the lessons of the financial crisis. Britain was the driving force behind the creation of the global Financial Stability Board after the G20 in 2009, after the financial crisis hit, and Ministers should reiterate a commitment to linking in to its principles and ensuring worldwide compliance for those transacting business in the UK. I believe this is a crucial political choice, as well as one about access to markets. There is a happy coincidence in that choosing the right path for robust regulation will help to maintain the best access for trade. Maintaining rights to passported sales depends on retaining equivalent standards, so I want the Minister to recommit to this broad set of standards, which exist for a reason, and which Britain was at the forefront of creating.

The third question on which I want to press the Minister is about stability. Keeping rights to trade must be a permanent situation. Some people just shrug and say that there are lots of directives—MiFID 2, CRD4—and other EU rules, such as AIFMD, meaning that third countries outside the European Union have rights to trade if they have “equivalent” regulation. However, not all parts of the sector have equivalent rights, so such directives do not cover all parts of the sector; many of the rights are still quite theoretical, because they have not yet been put into practice in lots of cases; and what the European Commission grants, it can very easily take away.

Will the Minister therefore acknowledge that a stable, long-term settlement for access to EU markets is essential, and that leaving others the power unilaterally to disallow equivalence, perhaps with only a few weeks’ notice, would represent a great risk for business? The Treasury should ensure that the passporting of financial services or equivalence arrangements cannot be terminated without consultation and several years’ notice. Our membership of the European Economic Area or a bilateral treaty between the UK and the EU must be based on a long-term commitment to mutual recognition. Ministers should acknowledge the reciprocal nature of these markets. Just as we seek long-term commitments from the EU, many European organisations are looking for long-term access to the UK because of our position as a financial centre of excellence right on the doorstep of the rest of the EU.

My fourth question relates to sectors in which we currently excel, such as clearing and settlement—an area that is crucial to the fabric of connectivity in the networks of financial transactions across the world. I urge the Minister to acknowledge that it is essential that
the UK continues to have rights for euro-denominated clearing, because of its importance in creating the wider environment and infrastructure that are so valuable to other financial services, be they underwriting, syndicating, trading, execution venues or banking.

Last year, the Treasury successfully fought off the attempt by the European Central Bank at the European Court of Justice to limit rights in the clearing of euros outside the eurozone, but I suspect that that issue will rear its head again. There is a danger that the UK and the EU will lose out entirely if the wholesale market decides to up sticks and go to New York, which has the right infrastructure to present a competitive opportunity for many in that sector. Maintaining the UK’s rights to euro-denominated clearing is therefore important.

My fifth question is about the orderly transition that we need to have whatever the new arrangements are. I have raised this with the Secretary of State for Exiting the European Union and it is important that the Treasury commits to it again. I hope the Government will agree that we must have parallel negotiations on our new trading and regulatory relationships during the Brexit process and reject the notion of sequential dialogue. The need for an orderly transition to new arrangements means that although we have to talk about the divorce process—Brexit—and how we leave, we must simultaneously talk about what our new relationships and rules will be. There is a case for making it clear that if we are to trigger article 50, there should be a condition on the concept of parallelism to ensure that we can have the discussions simultaneously.

Tulip Siddiq (Hampstead and Kilburn) (Lab): My hon. Friend is outlining a lot of concerns that have been raised by my constituents in Hampstead and Kilburn. The Office for National Statistics found that 1,000 of my constituents are employed in financial and insurance services. During this divorce, as he puts it, their daily commute is riddled with uncertainty, because of the possibility of relocation or, much worse, redundancy. Does he agree that securing our vital passporting rights is crucial in ensuring that my constituents gain back control of their own future?

Chris Leslie: Absolutely. My hon. Friend represents many people who work in this sector, as do all right hon. and hon. Members in the Chamber, because this is something that affects not just the City of London, but all parts of the country.

In respect of transition, I worry very much about what some people call the “boiling the frog” syndrome. After the referendum, people said, “There wasn’t a cliff edge. What’s the problem?” This is a process that will take many years and we might see a steady decline in our opportunities and our economy; it will not necessarily happen in one go overnight. However, there are serious cliff-edge worries, particularly if we do not have parallel discussions during the transition. I hope that we can secure regulatory co-operation with countries in the EU and continue with the current arrangements, as far as is possible, during the transition. That should be the Government’s objective.

There are other issues that I would have raised with the Minister if there had been time. For example, the UK is a centre for investment management activities, which require worldwide access and, crucially, regulatory co-operation. Many funds are located in jurisdictions around the world, but at present they can delegate many of the actual tasks of fund management into the UK. Continuing those rights to delegation is very important in an area where long-term guarantees are needed.

There is also a very big question regarding what would happen if those who work in the sector and are currently able to move to and work in the UK, which is part of our appeal, faced restricted access. A conclusion needs to be reached soon on the rules for skilled employment movement between the UK and the rest of the EU. That is an important piece of that jigsaw. Other EU countries also face reform of the general concept of free movement, and a skills-based approach may be an option for common agreement.

Britain must not fashion itself as a new, low regulation, offshore haven. Our history—trust, the rule of law, our bond, specialist services and professionalism—is our best selling point. We need to opt for the path that wins businesses through high-skilled, high-calibre and well-regulated products, and not be tempted by diluting important protections and chasing the mirage of undercutting.

Ministers have a crucial choice to make, and it will certainly divide those on the right of the political spectrum. That is one of the key issues on which I want to press Ministers. I urge the Treasury to choose the path that remembers the lessons of the financial crisis and that, as a happy consequence, also gives us access to EU markets and business opportunities, in the best interests of jobs and growth across the UK, not only in the City of London, but in other great cities, such as Nottingham.

5.16 pm

The Economic Secretary to the Treasury (Simon Kirby): May I start by thanking the hon. Member for Nottingham East (Chris Leslie) for highlighting the importance of passporting in financial services and for securing this debate? He has made a reasonable case and I thank him for his thoughtful and vital questions. He will not be disappointed to hear that I fully attend to answer all of them, although not necessarily in the order that he asked them. Indeed, if he wishes to raise any other issues, I am always willing to sit down and discuss them with him.

This is a very important issue, not just for the City, but for ordinary people who work in the sector and its related professions up and down the country. Many of those services are provided by more than 2 million people in the country, and they pay a lot of tax. I am very happy to commit to doing all I can to maintain the UK’s global financial status. That is clearly very important.

The issue also matters to many more of the British electorate who benefit from the £66 billion of tax revenues that financial services provide each year, and the role that they play in financing businesses up and down the UK and around the world.

I share the hon. Gentleman’s view that the financial services industry brings considerable benefits to the UK economy as a whole, and we want to retain them as we forge our new relationship with the EU. In general terms, the financial services passport means that firms authorised in one member state or in part of the European economic area are able freely to passport their services
across the whole of the EU. Alongside the passport, other rules affect how firms operate outside the EU, interact with it and have access to the European market. Those are collectively called equivalence regimes, whereby the EU assesses whether foreign rules are broadly compatible with its own and can be used instead as the basis to provide services to and across the EU.

I make those points as part of achieving a shared understanding of what matters when we talk about passporting and access to the single market, whether on the basis of a pure passport or an equivalent mechanism, to ensure market access to the EU. That is necessary for us to consider together the options available to the UK when it enters its negotiations, and to recognise that there are various precedents for accessing the EU market on which we can and should draw.

It is worth dwelling on why we shall seek the best possible deal for financial services in the EU negotiations. Under current arrangements, based on the UK’s membership of the EU, UK firms hold over 5,000 different financial services passports across various sectors and activities. They are not all actively used, but it is clear that a significant number of UK-based firms depend on access to the European market today, offering global services to a global client base at least in part via the EU passport. Around a third of UK services’ exports are in financial services, of which about a third are to the EU—about 11%.

For larger internationally active financial institutions, access to the EU is critical to their business model. I have certainly met a few of them in my new role to date. Even those with a large UK client base might find themselves needing to offer a European and a global service to their UK clients. Many of these are major employers across the UK as a whole. For them, the whole of the UK is important; the City is important, but financial services span the length and breadth of the country.

The UK is home to a genuinely international financial centre, resulting in a £55 billion trade surplus in financial services last year. This global hub means that the City is, put simply, greater than the sum of its individual parts. It has a critical mass. It relies substantially on the clustering of expertise in one place and the presence of a number of firms that are highly dependent on one another and inter-connected. Financial services provide capital-efficiency to the real economy because of this market concentration.

To illustrate my point, I note here the concern raised by the right hon. Gentleman about euro-denominated clearing—the ability to net very complex networks of trades in different currencies against one another saves the market billions in capital each year. The London stock exchange believes it has saved global clients around $25 billion-worth of regulatory capital. That is not a small sum. In short, European firms looking to raise finance for investment and growth rely on the UK’s deep capital markets. If this market is allowed or encouraged to fragment, the result is likely to be a reduction in businesses’ ability to secure investment right across the spectrum.

It is also important to financial stability to ensure that we and our European partners understand the effects of possible business restructurings, so we can continue to ensure that the sector is properly regulated and supervised. Getting this wrong is in the interest neither of the UK nor the EU. I hope that that reassures the right hon. Gentleman, who raised the importance of the UK’s specialist cluster. There are benefits—not only to the UK, but to Europe—of the City remaining a cluster of expertise that can serve the EU. Financial services is highly interconnected activity that depends on economies of scale.

I agree with the right hon. Gentleman—actually, I am not sure whether the hon. Member for Nottingham East is honourable or right honourable.

Chris Leslie: Honourable.

Simon Kirby: It is only a matter of time, I am sure.

I agree with the hon. Gentleman that we will need to look carefully at the structures needed to ensure regulatory cohesion and stable, long-term access to EU markets, which I believe is in both the UK’s and the EU’s interests. The EU benefits from the deep pockets of the UK’s financial centre status, and the UK benefits from access to the EU in acting as its financial centre. High quality and consistent regulation is an essential underpinning of a stable, competitive, global financial sector.

In conclusion, I want to reassure the House that we are working as hard as we can to consider the opportunities ahead, to safeguard UK financial services for the long term not just the short term. We understand the importance of market access, transition and continuity—points that the hon. Gentleman raised—and we also understand that access to skilled workers internationally will be essential to this sector.

Lastly, I want to reassure those looking perhaps from around the world that we are the same outward-looking, globally minded, big-thinking country we always have been.

Question put and agreed to.

5.25 pm

House adjourned.
Westminster Hall

Monday 5 September 2016

[Mr James Gray in the Chair]

EU Referendum Rules

4.30 pm

Mr James Gray (in the Chair): Before commencing this afternoon’s important debate, called by the Petitions Committee of the House of Commons, it might be useful if I lay out a couple of rules of procedure. First, quite a large number of Members have signified their intention to speak. However, we have got a three-hour debate and I do not intend to apply a formal time limit to speeches—at least to begin with. We have the authority to do that later. If Members are sensible and restrict their remarks to five to 10 minutes apiece, we might get most Members who wish to speak into the debate.

Secondly, the motion before us today, namely that we have considered the petition, is very specific, and I intend to be fairly strict in preventing Members from rambling widely into every issue to do with the European Union and Brexit. Those are not matters for debate this afternoon; the debate is simply about whether we should have a second referendum. With that as prologue, I call Mr Ian Blackford to move the motion.

4.31 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I beg to move,

That this House has considered e-petition 131215 relating to EU referendum rules.

It is a pleasure to serve under your chairmanship, Mr Gray. I appreciate the motivation of those who have called for a second referendum. It is a mark of an irresponsible Government that, more than two months after the EU referendum, we know nothing more than the Prime Minister’s soundbite “Brexit means Brexit”. We are not the only ones confused by the UK Government’s haphazard approach to leaving the EU. Speaking at the G20 summit in China, President Obama said that the UK will not be prioritised in free trade talks. He said that he never meant to say that the US would “punish Great Britain”, but simply that he wanted to challenge the notion that the consequences of Brexit are negligible and that Brexiteers would “just go ahead and light-up a whole bunch of free trade agreements.”

An official Japanese Government briefing leaked to the summit warned of the repercussions for the thousands of people employed by Japanese car, finance and high-tech firms in the UK, and sought assurances about continued access to the single market, tariff levels and other trade privileges. The notion that the UK can quickly put in place trade deals around the world is fanciful. It is wishful thinking without any basis in experience or likelihood of delivery. It is no more than a policy of “hope for the best”.

The UK Government should follow the Scottish Government’s example and announce an urgent economic stimulus plan. We are clear that the least bad option requires the UK to stay within the single market.

The Scottish Government will use their influence to shape the best outcome for Scotland and the UK as a whole, which means the UK continuing to be a member of the single market.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Will the hon. Gentleman give way?

Mr James Gray (in the Chair): Order. Before the hon. Gentleman intervenes, I said that I was going to do this to begin with, so I hope the hon. Member for Ross, Skye and Lochaber (Ian Blackford) will forgive me if I point out that we are discussing the question of whether there should be a second referendum on Britain’s membership of the European Union. It is therefore not in order to discuss anything to do with Scotland or Britain’s role in the wider world. Our sole purpose is to discuss whether there should be a second referendum on our membership of the European Union, so perhaps the hon. Gentleman will restrict himself to that particular topic.

Ian Blackford: I am grateful for your guidance, Mr Gray. If you will forgive me, I am trying to move on to discuss that very topic, but I am putting it in the context of many of the things that happened during the referendum campaign and why we are in this position.

Stephen Doughty: I am mindful of your comments, Mr Gray, so I will try to put my intervention in the context. Many of my constituents have written to me arguing for a second referendum, but I have also argued that it must be absolutely clear that it cannot be the case that Parliament does not get to have a say on this issue again, and that it certainly cannot be the case that the devolved Administrations and Governments do not get to have a say. It is my view that they absolutely must. Does the hon. Gentleman agree?

Ian Blackford: I am very grateful for that intervention. I will come on to the sovereignty of Parliament—and, indeed, the sovereignty of the people—because that is a very important point. I will address it later in my speech.

Mr John Spellar (Warley) (Lab): Given the difficulties that the hon. Gentleman is outlining, the call for a second referendum is not only damaging to our democracy, but enormously diversionary from the tasks that he outlined of negotiating our relationship with our European neighbours and the rest of the world, and, equally significantly, getting the British Government machinery working efficiently and effectively so we can make decisions and compete in that new world.

Ian Blackford: I understand the right hon. Gentleman’s point, but there is the issue of what people voted for. The situation is in contrast with that of Scotland in 2014, when the Scottish Government had a 650-page White Paper that laid out exactly what would happen to Scotland post a vote for independence. The problem with the Brexit campaign is that we did not have a manifesto.

Helen Hayes (Dulwich and West Norwood) (Lab): Yesterday, the Prime Minister confirmed that there is no commitment to give additional funds to the NHS as a consequence of Brexit—a pledge that toured the
country on the side of a bus, and on the basis of which millions of people voted in good faith to leave the EU. The Prime Minister says that Brexit means Brexit, but when such pledges are broken almost immediately, none of us really knows what Brexit will mean. Does the hon. Gentleman agree that that lack of clarity further underlines the case for enabling the British people to see the detail of the actual Brexit deal and vote again on whether they would like to proceed on those specific terms, and that that should take place before article 50 is triggered?

Ian Blackford: It is fair to say that those on the Brexit side failed to put across exactly what Brexit means. The week after the Brexit result, the Chancellor—then the Foreign Secretary—said that the Government have no plan. That is the difficulty that the hon. Lady is referring to. When the Prime Minister says “Brexit means Brexit”, what does that mean? There has not been an explanation of exactly what it means.

Caroline Lucas (Brighton, Pavilion) (Green): When we talk about a second referendum, it is important to be clear about whether we are talking about simply rerunning the old referendum, which I am sure no one is suggesting—that would absolutely undermine democracy—or about a referendum on the terms of any new deal. That is absolutely crucial. In that context, does the hon. Gentleman agree that we should take into account the conclusions of the Electoral Reform Society, which has done a report on the myths, misinformation and downright lies in the previous referendum, and says that we have got to do things better next time?

Ian Blackford: I absolutely agree. The Electoral Reform Society talked about many of the good things in the referendum in Scotland in 2014—it is often described as a gold standard—such as the fact that we had a long referendum campaign and that people were able to make a judgment based on the facts. That is a reasonable point.

Several hon. Members rose—

Ian Blackford: Let me make some progress, then I will be happy to take more interventions.

The Scottish Government have already announced an additional £100 million of funding in this financial year to stimulate the economy following the uncertainty about the UK’s future relationship with the EU. As a Scottish MP, I fully support the action taken by the Scottish Government and backed by a vote in the Scottish Parliament empowering them to secure Scotland’s place in the EU. That context is important to this debate, Mr Gray. When the vote was taken in the Scottish Parliament, 106 Members voted for the motion, eight voted against and there were three abstentions. Our Scottish Parliament, on a cross-party basis, gave an unequivocal statement that Scotland voted to remain in Europe. Let me put it this way: remain means remain.

The Government in Westminster repeatedly tell us that they respect the authority of the Parliament in Edinburgh. The Government in London should reflect on what respect means when it comes to article 50 and the desire, if that is what they have, to remove the UK from Europe before recognising our desire and our right to remain in Europe. Our position must be given cognisance. As the UK develops its position ahead of triggering article 50, the Scottish Government must be given a central role in the deliberations and negotiations. The Prime Minister must not bypass Scotland in the EU negotiations.

It is deeply worrying that the Prime Minister is ploughing ahead with a hard breakfast—[Laughter.] I mean Brexit; other than the dog’s breakfast that was the Brexit campaign. We wish to remain in Europe, with full access to the single market and full free movement of people.

Mr James Gray (in the Chair): Order. I am very sorry to interrupt the hon. Gentleman again, but I made it absolutely plain at the beginning that this debate is on the very narrow and specific question of the wording of the petition, namely:

“We the undersigned call upon HM Government to implement a rule that if the remain or leave vote is less than 60% based a turnout less than 75% there should be another referendum.”

That is the topic of debate. We are not debating whether we should be in the European Union, what happened in the Scottish Parliament, or the benefits of Brexit or of staying in the European Union. We are debating simply whether there should be a repeat of the original EU referendum, and the hon. Gentleman should return to that subject if he does not mind.

Ian Blackford: I am grateful for the guidance from the Chair, and I am seeking to follow it. I am building up an argument about why we are in the position we are in. If you will show me some forbearance, Mr Gray, I will address myself to those words—

Mr James Gray (in the Chair): Order. The hon. Gentleman must keep to the point of the debate.

Ian Blackford: The point, however, is that we have been asked about the rules for an EU referendum. My specific argument comes down to the issue of where sovereignty lies. In our opinion, sovereignty in Scotland lies with the people, and the people of Scotland voted 62% to remain within Europe. Those are the arguments that I will outline in the debate, and I believe that in a process of free speech I should be entitled to do so.

The respected Professors Chalmers and Menon, writing for Open Europe, suggested that Scotland could have a different relationship with the European Union from the rest of the UK, including free movement of people, and Scotland continuing to sign up to EU law. Others have pointed to the so-called “reverse Greenland” scenario, in which the rest of the UK leaves the EU, but Scotland retains the existing rights and membership of the EU. It is up to Westminster whether it is willing to recognise Scotland’s position, which requires its own settlement, perhaps with Northern Ireland, another of the family of nations which voted to remain.

As I have said, 62% of Scots who voted expressed a desire to remain. We often hear about the sovereignty of Parliament, but we have our own tradition in Scotland, and it is one in which the people are sovereign. In the case of MacCormick v. Lord Advocate in the Court of Session in 1953—
Mr James Gray (in the Chair): Order. I must now insist that the hon. Gentleman return to the topic of the debate in hand, namely whether we should have a second referendum on the EU. If he is unable to return to that subject, he will have to resume his seat, because other Members in the Chamber will do so. It is nothing to do with freedom of speech. The topic of the debate is absolutely plain, and it is vital that he address himself to it and to nothing else.

Ian Blackford: With respect, Mr Gray, that is precisely what I am trying to do. I am putting this in the context of what has happened in Scotland. On the basis of free speech, I ask that I be given the opportunity to present my argument in the way that I feel is appropriate to the people of my country. This is about the people of Scotland being listened to when they have, under the rules of the referendum, voted to remain. I am perfectly entitled to make that argument, which I intend to do.

The principle of the unlimited sovereignty of Parliament is a distinctly English one, which has no counterpart in Scottish constitutional law. The judgment in the case that I cited recognised the sovereignty of the people of Scotland, and that something the Government in London will have to accept. Scotland voted to remain, so we could remain citizens of Europe, and that must be respected. Those who have signed the petition and pushed for a second referendum would, I hope, recognise that, as a Scottish MP seeking to hold the Government in London to account and standing up for the people of Scotland, who voted to remain, my primary responsibility is to the people of Scotland.

Mr Andrew Smith (Oxford East) (Lab): On the sovereignty of the people of Scotland, did they not vote to remain in the United Kingdom? Is it therefore not implicit that they have accepted the constitutional arrangements of the United Kingdom?

Ian Blackford: We had a referendum in 2014, and 45% of those who voted in it voted for independence and 55% voted to remain in the UK, but the important point is that in that referendum debate, the Conservative-Liberal coalition Government and their partners in Better Together, the Labour party, told the people of Scotland that if they voted to remain in the UK, their position in Europe would be guaranteed. The people of Scotland were misled. I will come on to the mandate given to the Scottish Government by the Scottish Parliament, on a cross-party basis, which is to protect Scotland’s position in the EU with all measures, up to and including a second independence referendum, that might be necessary.

Kwasi Kwarteng (Spelthorne) (Con): As I understand the position, in the past two years the hon. Gentleman has taken part in two referendums and lost both of them. As a consequence, I imagine he wants to rerun both. Which comes first? Does he want to rerun the EU referendum or the Scottish independence referendum first?

Ian Blackford: I will try to stick to the terms of the debate today—I am arguing strongly that my primary interest in this case is to protect Scotland’s position within the EU, which I hope gives some succour to those who have argued for the petition. That is our first priority. If, because the UK Government refuse to recognise our position, the only way to protect Scotland’s position is independence, of course we will say to the Scottish people that is the path that they should be going down.

Ian Paisley (North Antrim) (DUP): To confirm, for the sake of clarity, the hon. Gentleman wants to have a free and independent Scotland ruled from Brussels.

Ian Blackford: I have a lot of time for the hon. Gentleman, but this is about securing Scotland’s position within Europe—to ensure that Scotland is a destination, that we can fulfil our potential and sustainable economic growth for Scotland. In order to do that—

Mr James Gray (in the Chair): Order. I have told the hon. Gentleman on several occasions that the debate is not about any of the things that he is discussing. He is completely and utterly out of order. He is discussing a debate that is not for this Chamber today. If he persists, I will ask him to resume his seat and I will give the Floor to someone else. I insist that the hon. Gentleman return to the motion before us today, namely whether there should be a second referendum on our membership of the European Union. That is the topic of our debate, nothing else. If he cannot do that, he will have to remain seated. I invite him now to return to his feet and to discuss the issue of whether there should be a second referendum.

Ian Blackford: I have to say that I am surprised by the remarks from the Chair. All that I was doing was responding to an intervention, which I was answering to the fullest extent that I could. I will move on.

It is pertinent to ask how the UK has got itself into this situation. In the recent general election campaign, the then leader of the Conservative party committed his party to holding a referendum on EU membership if elected to government. That commitment was made not from a position of conviction—because he personally wanted out of the EU—but simply to buy off those in his own party who did not want to be part of Europe. There was no leadership and no vision about how to take Europe forward; it was an abrogation of responsibility, and we then had the most unedifying of campaigns.

In Scotland we often refer to the arrangements for our own referendum as the gold standard, although that admittedly did not stop the descent into negativity that characterised “Project Fear”. We can argue, however, that there was strong public engagement and, crucially, young people whose future was to be determined by the vote—those aged 16 and 17—were able to participate. EU citizens living in Scotland also participated, and rightly so.

The EU referendum was different: 16 and 17-year-olds, and EU citizens were excluded. We might have anticipated that the debate would therefore become narrow and inward looking, and that is precisely what happened. The Prime Minister and his Government who wanted to remain in Europe had the opportunity to shape the debate, but rather than painting a vision of the UK in Europe, “Project Fear” went into overdrive—not so much a positive case for remaining as a campaign that failed to inspire. The Prime Minister went into battle with a plan that was flawed, and that became increasingly obvious in the months leading up to the referendum.
In much of the UK, the debate came to be about immigration—not about how migration in and out of the UK can enrich our society and the rest of the world, but about a fear of immigration. There was little appreciation or understanding of the positive impact that migrants have on our economy, or of their contribution to our health service and other public services. There has been much talk of those left behind, those who have not seen improvement in their living standards or quality of life, but immigration has not led to such circumstances; they are the result of a failure of Government policy to invest in our public services to ensure that capacity is sufficient to meet the needs of all our communities.

Kerry McCarthy (Bristol East) (Lab): I agree with the hon. Gentleman that the referendum campaign was flawed in terms of the information that people had access to, but I also agree with the hon. Member for Brighton, Pavilion (Caroline Lucas) that we should not look to rerun the referendum we have just had. Instead, we should look forward to having a referendum on the Brexit deal, because the big question facing us now is what Brexit means. I am not sure what the hon. Gentleman's stance on that is: is he talking about a rerun of the vote that we had on 23 June, or about a Brexit vote?

Ian Blackford: I am not talking about a rerun of the referendum campaign we have just had. I am arguing specifically, as a Scottish MP, that Scotland voted to remain, so, before we go through the article 50 process, the Government in Westminster have the opportunity to reflect on recognising the sovereignty of the people of Scotland, and that to do so would help those who signed the petition we are debating.

This is the debate that we should have been having, rather than the one that we had. Rather than being seen as investing in our future, immigrants have become scapegoated and hate crime has been on the rise. Not only have immigrants been scapegoated, but EU citizens living in the UK are now fearful about whether they will have long-term rights to remain.

On the morning of 24 June, after a failure of leadership by the UK Government, the First Minister of Scotland spoke for many in a message that resonated not only in Scotland, but throughout the UK. Her message was clear: EU citizens living here are our friends, neighbours and colleagues, and they are welcome. Some 173,000 EU citizens are part of our communities in Scotland, and many are fearful about whether they can remain. Uncertainty still exists. The Prime Minister should do the right thing and state that all EU citizens who are here now are welcome to stay. It is about doing the right thing. Those who are here have been welcomed in; why would we not remove any uncertainty? We are talking about people who under no circumstances should be used as bargaining counters in any Brexit talks. Where is the humanity? The Prime Minister will be judged by her actions: show compassion and decency.

We should also have been discussing the very pillar of the argument about the benefits of European membership: peace in the continent, fostered by nations working together for the common good.

James Berry (Kingston and Surbiton) (Con): Does the hon. Gentleman agree that changing the rules of the game ex post facto if we do not like the result, which is precisely what the petition proposes, is not really the way that we do things in this whole United Kingdom? Even among people who voted to remain, myself included, a very large number would not accept a second referendum, despite being disappointed by the result.

Ian Blackford: There were flaws in the way that the referendum was conducted, but as a democrat and someone who argues very much for the sovereignty of people, I have some sympathy with the hon. Gentleman's view. We must not override democracy by denying those in the UK who voted in the referendum their rights, but we must equally recognise the votes of the people in Scotland who voted to remain.

We must champion the benefits of the single market in trade, services and—yes—people. Much of that positive argument was lost in the deluge of fear and negativity. The costs of our membership were much discussed, but the benefits were not. When it comes to the costs, those who spoke about a bounty for the NHS should hang their heads in shame. Much of the Brexiteers' argument has been shown to be false. The people who are responsible for this situation are those who engineered the referendum and our departed Prime Minister, who showed a complete lack of leadership in securing the UK’s continued membership of the EU. It is often claimed that all political careers end in failure. The Prime Minister fell on his sword after the referendum. His tenure will be reflected on as one during which he presided over the UK leaving the EU—something that he was personally against. I cannot think of a greater foreign policy disaster for any Conservative Prime Minister since Eden and the Suez crisis.

Not only did the Prime Minister announce that he was going, but one of the primary Vote Leave architects, the ex-Mayor of London, then proclaimed that the Government did not have a plan for Brexit.

Mr James Gray (in the Chair): Order. The hon. Gentleman has been asked repeatedly to return his remarks to the simple issue of whether we should repeat the referendum. If he wants to continue, I require him to return to that specific topic and no other. If he cannot do that, he will have to resume his seat and I will pass the floor to someone else. I call Mr Ian Blackford to talk specifically about a second referendum.

Ian Blackford: I am trying to address myself to that topic. If you will bear with me, Mr Gray, I am just a few short remarks from closing.

Mr James Gray (in the Chair): Order. Nor will the hon. Gentleman enter into discussion with the Chair about what I am ruling. My rule is final, and whatever I say in the Chamber goes. What I am saying is that he is deviating wildly from the topic that we are discussing. I require him to return to that specific topic. If he cannot, I will ask him to resume his seat.

Ian Blackford: I hope that the people of Scotland are listening to this debate and the conduct of it. Contrast the omnishambles of the EU referendum with our referendum in Scotland, when those of us arguing for independence had the benefit of a 650-page White Paper that went through every area of Government. The Brexiteers wanted out of Europe, but they had no
plan for the day after the referendum or any other day in the future. We were all to be cast adrift from Europe when the Government decided to trigger article 50 and begin the process of disengagement from Europe. There is still no plan to put in place the much heralded new trade agreements. There has been a lack of leadership not only from the Government but also from the Labour Opposition, whose campaign to remain in the EU was lukewarm at best. Labour sources have repeatedly suggested that their leader may not even have voted to remain. It is little wonder that we are where we are today: in a UK that has turned its back on the EU. We know who the real separatists are in the UK.

We live in uncertain times. Western economies are still grappling with the fallout from the financial crisis in 2007 and 2008. Brexit has led to the Bank of England—

Mr James Gray (in the Chair): Order. I am most grateful to the hon. Gentleman for his remarks. He will now resume his seat. I call Mr John Penrose.

Ian Blackford: I must object—

Mr James Gray (in the Chair): I understand that you are making a point of order. On a point of order, Mr Ian Blackford.

Ian Blackford: I am not making a point of order. I am making a speech that is legitimate in the context of the debate. People in Scotland will see exactly what is happening here: the Chair is refusing to allow the elected representatives of the people of Scotland to give a speech. That is the clear judgment of what has been delivered by this Chair.

Mr James Gray (in the Chair): Order. As a Scot, I very much hope that the Scots are indeed listening to the debate. The hon. Gentleman is entirely out of order. I call Mr John Penrose.

4.55 pm

John Penrose (Weston-super-Mare) (Con): As Constitutional Reform Minister at the time, I had responsibility for the detailed election rules set out in the European Union Referendum Act 2015. Since those rules would have included any provision for a super-majority of the kind that is suggested in the petition, it might help if I explain why we did not include such a super-majority in that Act, which was passed by Parliament last year.

There was not much discussion of super-majorities when Parliament debated the 2015 Act, but had that subject come up, I suspect that there would have been widespread opposition to it from campaigners on both sides of the debate. No matter what the issue at hand may be, a super-majority gives an in-built advantage to the status quo. It tilts the playing field deliberately in favour of no change. In other words, it would righty have been seen as a pretty transparent attempt to give the remain campaign an enormous—and in the eyes of many, unfair—advantage. Leave supporters would have denounced it in ringing terms. Equally importantly, more thoughtful remain campaigners would probably have felt uncomfortable too.

Peter Grant (Glenrothes) (SNP): The hon. Gentleman has made an interesting start. Does he agree that if both sides of the campaign are supposed to be balanced, it is irresponsible for anyone to deliver literature in the closing days of any referendum campaign strongly advising people, “If in doubt, vote for the status quo”? If people are in doubt, they should not vote.

John Penrose: My point was that had we set up a super-majority as the petition suggests, we would have tilted the rules unfairly in favour of the remain campaign. With a fair and level playing field, both sides are free to make their cases as strongly as they can and to rebut the other side’s case if they feel that it is wrong. The hon. Gentleman clearly feels that some of the points that were made were entirely incorrect, but the correct response was to argue against them and engage in democratic debate at the time, not to try to tilt the playing field towards one side or the other.

Stephen Doughty: The hon. Gentleman makes an interesting point about super-majorities, but they have been used in British constitutional history—they were used in the devolution referendums at the end of the 1970s—and are used in many other democracies. They are used in the United States, for example, for amendments to the constitution. Therein lies the problem. Does he agree that one of the clashes—it is why we are having this debate—was caused by the fact that the result was narrow? Many of us wish to respect that result, but at the same time my constituency, for example, voted by 60% to 40% to remain. We also have that situation in Scotland. That is why the public feel torn, and that is the difficulty that we are all dealing with.

John Penrose: I completely agree. The outcome, although definitive—there was an overall majority of well more than 1 million votes—was still uncomfortably narrow, and 48% of the population were on one side. Democratically, we therefore need to go through a healing process as an entire country to repair that damage, but wishing that it were otherwise will not change the historical fact of the result and the fact that the rules were as fair as Parliament could make them after extensive debate.

The referendum, with those rules, was intended to put the question of our EU membership to rest once and for all. If it had been an unfair referendum and the rules had been slanted in one direction or the other, it would have completely failed in that central aim. Far from drawing a line under the issue forever, we would have faced a “neverendum,” with both sides banging on about Europe for decades. I doubt that anyone could invent something more divisive, distracting or, frankly, soul-destroyingly boring if they tried.

Tom Brake (Carshalton and Wallington) (LD): Will the hon. Gentleman give way?

Mr David Lammy (Tottenham) (Lab): Will the hon. Gentleman give way?

John Penrose: What a choice. I will happily give way to the right hon. Member for Carshalton and Wallington (Tom Brake).
**Tom Brake:** I thank the hon. Gentleman. Does he think that the outcome of the referendum will ensure that people do not bang on about Europe for the next five or 10 years?

**John Penrose:** I will respond merely by saying that I hope that the period of banging on about Europe will be much shorter than it would be if we had more referendums about it in the future. I had thought that the right hon. Member for Tottenham (Mr Lammy) wanted to intervene—[Interruption.] Clearly there were two minds with but a single thought.

The danger of requiring a super-majority is that it would be seen as a coded attempt by disappointed pro-Europeans to rerun the original referendum because they did not like the result. I supported the remain campaign, but even I think that a rerun would be a huge mistake. Whichever side we were on at the time, I hope that all of us here are democrats first, last and always.

**James Cartlidge** (South Suffolk) (Con): I campaigned on the remain side, and I must say that I was disappointed with the negativity on both sides. However, negative arguments are made in general election campaigns as well, and I do not believe anyone would think we should challenge a general election result because one side used negative arguments.

**John Penrose:** I completely agree. Every time either the Lib Dems or the Labour party win a local council by-election, I am convinced that everyone has taken leave of their senses, but as a democrat I respect the result and accept it. I am sure everyone here would do the same, no matter which side of a particular debate they are on.

**Tom Brake:** I wonder whether the hon. Gentleman would like to respond—perhaps this is not for this debate but for another—to the emails that we have all received from people who have called for an independent body to assess the claims made during the course of a referendum campaign. Would he support that?

**John Penrose:** I worry about such proposals, because they could create a vehicle for making vexatious claims during a campaign as a way of trying to smear the opposition, whether they were making legitimate or illegitimate comments. The whole point about democratic campaigning in any election, as we all know well, is that if someone says something that we regard as an egregious slur on us, or our party, or on reality—it does not matter—the answer is not to run to the lawyers but to get out there and explain to the voters why what has been said is entirely wrong.

The country has voted to leave the EU. Whether we in this room individually agree with it or not, the decision has been made. If we now decide that we will not leave after all, and that we will hold another referendum instead, the outrage at an out-of-touch political class, deaf to the desire of the people who elected them, will be absolutely shattering.

**Kwasi Kwarteng:** That is precisely the assumption that many remainers had, at least at the beginning—that they would somehow win the second referendum. All the evidence I see, certainly in my constituency, suggests that there would be a resounding defeat for the remainers if we were to go down that route.

**John Penrose:** At a time when, with isolated but notable exceptions in both the Scottish independence referendum and other votes around the country, we as a democracy are suffering from declining turnout and voter registration, we all need to ask ourselves why part of people’s reason for backing the leave campaign was the cry of frustration at our democracy. I can think of nothing more dangerous or corrosive than if we in this place were to say, “We are not listening”, stick our fingers in our ears and refuse to honour the decisive verdict that has been rendered unto us, whatever side we started on in the referendum campaign.

**Patrick Grady** (Glasgow North) (SNP): Could not the remarks that the hon. Gentleman is making about the dreadful finality of the result equally have been made about the referendum in 1975 to go into the European Community?

**John Penrose:** I am not quite sure what the hon. Gentleman’s point is. What I am arguing is that we have a clear democratic decision, regardless of what the lawyers may say, and democratically we owe it to the people who sent us here to listen to what they said. That is a simple point, but I worry that some people who are understandably disappointed—I was on the same side as them—are trying to find ways and reasons to comfort themselves and ignore that decision. I do not think we can. If we try to ignore it, voters will rightly ask, “What part of the word ‘leave’ is so hard for you all to understand?”

We have been given our marching orders. Brexit must mean Brexit, and it is up to every red-blooded democrat, no matter which side they were on before the result was known, to accept the clear electoral verdict and pull together to deliver it as best we can.

5.4 pm

**Mr David Lammy** (Tottenham) (Lab): Several right hon. and hon. Members of the House have long believed, as we have heard—or not as we have heard, but I know some Members believe this—that Britain’s interests would be best served outside the European Union. Those Members campaigned passionately for Brexit and ardently believe that the result delivered on 23 June means that Brexit should be delivered immediately—no ifs, no buts and, frankly, no questions asked. It would be churlish not to congratulate them on the referendum result and acknowledge, as has been said, that 52% of the country or thereabouts voted to exit the European Union.

I listened to the Secretary of State for Exiting the European Union speaking on the Floor of the House just before this debate about what Brexit means, and he said that Brexit means that we will exit the European Union, but we must all concede—I really hope that this Chamber does—that, two and a half months down the line, we do not know what Brexit actually means in reality. We are living in uncertain times and that is why we are considering this petition today. We do not know what form Brexit will take or when it might happen. We do not know whether our future lies within the single market or outside of it.
When we talk about access to the single market after Brexit, what do we mean by that? Of course we will have access—North Korea has access. That is not what we are talking about. The question is on what terms the UK will obtain that access and at what cost? We also do not know what our trading relationships with the rest of the world will look like, and millions of European Union citizens who have made this country their home are living in uncertainty now and do not know what their status is. Many of the 4 million people who signed the petition are understandably very anxious about their future. That is why we are here in this Chamber.

There are many legitimate arguments. Many believe—I will come back to this—that there should be a vote in this House on Brexit when we are much clearer about what the Government plan. Some believe that the best way forward is a general election, where political parties can put their position to the electorate, and others quite rightly say, “No, we need a second referendum on a plan when we have seen it.” That is the nature of the debate we are having, even though some might muddy the waters.

James Cleverly (Braintree) (Con): Will the right hon. Gentleman give way?

Mr Lammy: I will give way, but I am conscious that there are many others who must get into the debate.

James Cleverly: I appreciate the right hon. Gentleman’s generosity. With regard to a second referendum on specifics of a renegotiated position, if the outcome of that was a rejection of the status quo, should the British people then be presented with a different negotiated position for Brexit, the removal of Brexit or another referendum? What would be the proposed question in that referendum?

Mr Lammy: The hon. Gentleman does not seem to see this as I do. I believe that the country is already in the midst of a constitutional crisis. That is why there is currently a case in the High Court in both this country and Northern Ireland in relation to this topic. All I have outlined is that some people legitimately believe that one way out of the constitutional crisis is to put a plan to the people. The determinants of that plan are not a matter for today, but the principle requires debate. It is concerning that, given the decision we have made, which affects generations of young people, so many people who believe in sovereignty seem to want to limit debate in this House. We have spent minimal hours on Europe since 23 June, given the seriousness of the decision we are about to take.

Many people on both sides of the referendum debate would accept that the public were totally misled and lied to during the referendum. No one would accept that the public were totally misled and lied to during the referendum. No one would accept that the public were totally misled and lied to during the referendum.

Mr Chuka Umunna (Streatham) (Lab): I want to add two points, and to ask my right hon. Friend whether he agrees with them. One is that, whatever one’s view about whether there should be a vote in the House on triggering article 50, there should at least be a debate. The second is that whether to vote on article 50 is in a sense academic, because we will have to repeal the European Communities Act 1972 to give effect to our leaving the European Union. That will involve multiple votes, which will have knock-on impacts on existing legislation, which will need to be changed.

Mr Lammy: My hon. Friend is right. That is the case, which is why it was breathtaking to hear that Britain will not be discussing Europe for much longer. If we exit the European Union, this House is about to be consumed with legislation that will probably be with us for more than a decade. One Whitehall Department alone, the Department for Environment, Food and Rural Affairs, has 1,200 pieces of legislation that would need to be repealed. The task ahead for the nation is gargantuan. We are perhaps talking about the sort of effort involved in reconstruction after the war, or something comparable to the birth or the loss of empire.

Kwasi Kwarteng: Will the right hon. Gentleman give way?

Mr Lammy: I am not going to give way, because I think I should make progress.

I have described the scale of the challenge for Parliament, and the truth is that if we are doing that we will not be doing other things.

Tom Brake: Will the right hon. Gentleman give way?

Mr Lammy: I have said that I should make some progress. Others have got to get in to make important contributions.

The other point is that uncertainty is bad for business and our economy. Last week a survey by Lloyds found that business confidence has dropped to its lowest level since December 2011. Uncertainty in Government is also bad news. If the whole of Whitehall is focused on trying to work out Brexit and then on trying to deliver it, where will the capacity be to tackle many other urgent issues that the country faces—the crisis in the NHS, youth unemployment, infrastructure and the rebalancing of the economy? Last week massive cuts to apprenticeships were announced. We need working-class young people to move into apprenticeships. How are we going to achieve those things when every Department is consumed with the subject of Brexit?

I am here on behalf of my constituents, and that is why I am very clear about the issue. Ordinary working people on low incomes will suffer the most in the man-made recession to come. As always, people who are living pay cheque to pay cheque, just about keeping their heads above water and making ends meet in insecure jobs will bear the brunt of any economic downturn. When unemployment rises tax receipts will fall, NHS spending, wages and investment will fall, and after years of austerity the Government will not have the money for a fiscal stimulus, or to provide a proper welfare safety net. People have been talking about
agricultural areas. In counties such as Norfolk, which relied on EU subsidies, some people have been asking "Are we still going to get the EU subsidies?"

Mr James Gray (in the Chair): Order. Having been firm with our colleague from the Scottish National party, I should also be firm with the right hon. Gentleman. He has been very much in order so far, but he might like now to return to the subject of the debate.

Mr Lammy: You are absolutely right, Mr Gray. I was simply making the case that those EU subsidies will no longer be there. They will have gone and tax receipts will have fallen. It is for that reason that the way we resolve the constitutional crisis we are in is so important. The mechanism in the petition is of course but one way of doing that.

There has recently been a lot of talk about the gap between the rich and the poor, and the growing divide in society between the asset class and the underclass. Indeed, the fact that so many people voted for Brexit related to that. What I am worried about, and my reason for being here on behalf of my constituents, is the fact that the debate about inequality is likely, if funds are less, to turn into the old debate about absolute poverty. Absolute poverty is much worse, in any economy. That is why it is important that we have debates on the Floor of the House, as we are—something that we have not been able to do since 23 June.

I have already said that many British people, and certainly those who signed the petition—there are more out there; they email all the time—are understandably trying to do something on their own, individual, behalf. However, they of course recognise that linked to that democratic exercise another legitimate debate is going on—about sovereignty and the nature of Parliament, and whether Parliament should have a vote on the issue. It seems to me that the most fundamental tenet of our democracy is parliamentary sovereignty, and a decision of such significance must be debated and approved by Parliament. The Prime Minister says she wants to bring the country back together, and the best way to do that is to have its representative democracy look at the issues and debate them. With that conclusion we might begin to bring the country back together. Simply exercising a prerogative power, which is more akin to James II, is very unlikely to bring people back together. It will leave a huge division, not seen for many years, running through the country. It must be up to individual Members of Parliament to decide how they vote when the Government present a plan for what Brexit will look like, and the plan must be fully considered.

It is important to note that it has been said that the referendum "does not have constitutional provisions which would require the results of a referendum to be implemented". Those are not the words of a bitter remain campaigner, but of the House of Commons Library briefing on the European Union Referendum Bill. It is important to think hard about the fact that when we voted on the referendum it was described to the House as advisory and non-binding. It was advice—to hear what the people had to say; but it was not binding. It was not two thirds. It was not a quadruple lock—all nations agreeing, so that we can move forward in a straightforward constitution. It was a non-binding advisory referendum. As such we need further mechanisms to hear that advice and really think about the detail of how we now move forward.

What are hon. Members scared of? Why are they so scared of Parliament looking at it? Is it because the Government of the day are divided on the issue? Is that why they are scared about having such debate? I suspect it is.

We must also remember that 63% of the electorate did not vote for Brexit at all; that more than 2 million British expats were denied a vote, and 13 million more decided not even to cast their vote.

Kwasi Kwarteng: Will the right hon. Gentleman give way?

Mr Lammy: I will not give way. There was no two-thirds threshold as is required in other nations to validate a major constitutional change of this nature. There was no quadruple lock to ensure that the majority in each of the constituent nations of the United Kingdom agreed with the change. Our nation is more divided than ever in my lifetime and we are living through an unprecedented period of uncertainty. There is no clarity on what lies ahead and no easy way to heal the divisions. While colleagues may disagree with me when it comes to Brexit, I cannot see a way out of this other than for the Government to present their plan for Brexit to Parliament so Members can approve or reject it on behalf of their constituents, or to present their plan to the people so they can have their say in either a second vote or in a general election. [Interruption.]

5.20 pm

William Wragg (Hazel Grove) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I assume the applause upon my standing was not for me.

I am sorry to start my speech on such a downbeat note, but I feel I must express regret at the levels of intolerance that have crept into the public discourse on Brexit, both before the referendum and even more so since. Intolerance in the form of racism and xenophobia is deplorable, particularly due to its tendency to lead to hate and violence. I condemn examples of it wherever they are found; those responsible must be rooted out and face the full force of the law.

However, a new kind of intolerance has emerged in this country, demonstrated by those who proclaim to be the most progressive, broad-minded and dedicated to supposedly democratic ideals. They show themselves to be the opposite with this petition. They are intolerant of the view of their fellow citizens who happened to vote to leave the European Union. Conscious of your guidance, Mr Gray, I shall not seek to rerun the referendum campaign, but we should not treat the public as fools, which this petition does. We should remember that if we ask a question, the answer might not always be the one we expected or hoped for. Now, more than two months on from the referendum, the clamouring has not ceased. The proposal to rerun the referendum typifies that, as did the weekend’s anti-Brexit rally, at which the pinnacle of interest seemed to be that somebody had their beret stolen. They typify a rather unsettling desire to thwart or overturn the properly exercised democratic will of
the country. While I understand the strength of feeling people hold on the issue, the behaviour and impetus behind the petition sadly reminds me of people going through the seven stages of grief.

Kwasi Kwarteng: Five.

William Wragg: Indeed, it is five. My hon. Friend is more learned on the matter. People seem to have got stuck somewhere around stage three and now oscillate wildly between denial, anger and bargaining. I could stand here and, perhaps rather churlishly, tell those who want a second referendum or to block article 50, whenever that might come about in the fullness of time, that they should pull themselves together, have confidence in themselves and show a bit of faith in their country. However, I realise that would be far too blunt, so I say gently to hon. Members who may have sympathy with the petition that they should have the good grace to accept the result of the referendum, see the opportunities that lie ahead and cherish the fact that they represent their constituents in this place and can make a difference to their lives here in the mother of all Parliaments.

I end my brief remarks by making mention of the late Peter Shore, a great Eurosceptic Labour politician. During the referendum, an extract of his speech at the Oxford Union on the eve of the ’75 referendum became something of a hit on social media. I, too, was very taken with it. He warned his audience 40 years ago not to despise the chance for their fellow citizens to exercise their democratic right to make a choice at the referendum. He argued passionately that Britain belonged to the world, rather than to the narrow confines of the European Economic Community. He closed by reminding his audience that our parliamentary sovereignty—our democracy—was not just one generation’s to fritter away, but was the inheritance of generations of our fellow countrymen and women. I can think of no finer trio of reasons, and I urge the rejection of the petition before us.

Mr James Gray (in the Chair): I am most grateful to the hon. Gentleman for being so brief. Perhaps other colleagues will follow his excellent example.

5.23 pm

Tom Brake (Carshalton and Wallington) (LD): I start by picking up on a couple of points made by the right hon. Member for Tottenham (Mr Lammy). He referred to apprenticeship cuts, and I think issues about the UK Government having spent up to two years identifying what will happen once article 50 has been triggered and Member for Weston-super-Mare indicated, we must consider the case for a debate about what could happen in future referendums if there is not a strong majority for constitutional change or a significant turnout. We could look at that matter again. The issue before us today, however, is whether there should be a second referendum following the one that has just taken place. My starting point is that there should not be a second referendum simply for the purpose of overturning that referendum, notwithstanding the fact that, I am afraid, I think the leave campaign lied blatantly throughout the campaign. I accept that the remain campaign perhaps also over-egged the pudding with some claims that were made, but the leave campaign lied particularly on the issue of the NHS, with the pledge of £350 million per week for the NHS when we left the European Union. I wrote to the Secretary of State for Health about that, and got a response from the Minister of State, the hon. Member for Ludlow (Mr Dunne), who said:

“Firstly, neither the Department nor its Ministers were involved in making or endorsing the statement that additional funding would go towards the NHS if the UK were to leave the EU.”

So if anyone was in any doubt, the Department of Health has made it clear that it is not expecting to get any more money as a result of our departure from the EU.

Kwasi Kwarteng: For the sake of fairness, I think we should say that there were outrageous claims from both sides, and I want to spell them out for the record. A punishment Budget—the most restrictive Budget since 1936—did not happen as a consequence of us voting to leave. I am also still waiting for house prices in London to fall by 20% so that I can actually buy a property.

Tom Brake: I say to the hon. Gentleman that we are only two months away from the referendum having taken place. Rather than saying everything is hunky-dory, he might want to wait a little bit longer to see whether everything is going according to his plan.

I do not believe that there should be an immediate second referendum, because I do not think we can have a never-ending referendum, as the hon. Member for Weston-super-Mare said. However, as the right hon. Member for Tottenham indicated, we must consider what will happen once article 50 has been triggered and the UK Government have spent up to two years identifying what they want to secure from the European Union on trade and other aspects of the negotiations. I imagine that the end of that process will probably be in about three years’ time, because I do not think the Prime Minister will invoke article 50 at the beginning of next year. It will possibly be mid-year, or even towards the end of next year. Two years from then and three years from now, once the Government have identified what they are seeking to secure from the EU, I would be very surprised if the British public did not feel that there was a need for them to have their say on the outcome of those negotiations before the two-year period was exhausted and the UK exited the European Union.
On the subject of article 50, I was surprised that for the people on the Brexit side who campaigned so heavily for sovereignty during the campaign—sovereignty was apparently key to many of their concerns—all of a sudden sovereignty was not such a big issue after all when Parliament asked to be given the sovereign right to debate and vote on triggering article 50. I ask them to check whether they are being entirely consistent in the arguments they are deploying. We should be allowed not only to debate article 50, as has been suggested, but to vote on it. My personal position is that article 50 goes hand in hand with Brexit. Having accepted the vote, I would find it difficult to try to block article 50, because the two things are connected. We cannot vote to leave and then try to block article 50—those things are, in effect, a package.

There will be protracted negotiations. Incidentally, I hope that we would hear something during the first statement from the Secretary of State for Exiting the European Union about what he has been able to negotiate over the summer holidays. I had to leave his statement to get here, but 15 minutes in, we were still at the level of plain and unambiguous promise. There was absolutely no substance whatsoever to the statement that he was delivering. I do not know what he has done for the past two months—maybe he went off and had a long holiday—but certainly he has not been focusing on what Brexit means. We know that Brexit means Brexit, but that is a completely vacuous statement.

I hope that I have kept to the subject, Mr Gray, which is the issue of a second referendum. If the UK Government have secured in their discussions with the EU substantial protection of the rights of EU and UK citizens whose position is completely unclear and who want clarity; if they have secured substantial freedom of movement and the continuation of the UK in the single market; if they have maintained the environmental standards that the EU has, in some cases, enforced in the UK; if law enforcement and judicial co-operation continue as they are currently maintained at an EU level—the Secretary of State said in his statement that the Government wanted to expand on that area, which is welcome; if we have secured the protection of Erasmus; and if the travel and tourism benefits we derive from being in the European Union and the rights of the City are maintained, I am confident that if that package were put to a second referendum about three years from now, the British people would feel it was one of substance and one they would be willing to support.

5.32 pm

Mr Peter Lilley (Hitchin and Harpenden) (Con): I apologise to you, Mr Gray, and to the Chamber for not being here at the beginning of the debate. I was in the main Chamber questioning the Secretary of State for Exiting the European Union about his statement on this very subject.

I doubt if any Member today has taken or actually will take the words of this petition literally. It would condemn us to go on having referendums so long as neither side gets 60% of the vote or, even if one side does, the turnout is less than 75%. It is a recipe not for a second referendum but for a referendum. It is essentially an emotional call by an unprecedented number of our fellow citizens to set aside the result of the referendum. They back that up with a number of arguments.

First, they argue—we have heard it argued today—that the leave side won by lying. Accusations of lying are, of course, a feature of all election campaigns, but free elections provide us with an opportunity to rebut contentious points made by the other side. In particular, the remain campaign, with the frequent help of the BBC, repeatedly rubbed the slogan on the leave battle bus that highlighted our gross EU contribution of £350 million a week and implied we could spend it on the NHS. I personally never used that figure. I always referred to Britain’s net contribution of nearly £10 billion—some £200 million a week. I did not meet a single voter who changed their mind and decided not to vote leave on finding that the net contribution was only £200 million, rather than £350 million.

Mr Umunna: May I assure the right hon. Gentleman, to whom I am grateful for giving way, that an untold number of Labour voters in this country voted for us to leave the European Union on the basis that they believed £350 million extra per week would go into the NHS? There is no getting away from the commitment that was made and no wriggling around—it was an aspiration,” or, “It was a mistake.” That was the commitment that many, many Labour voters believed would be delivered on if we left the European Union.

Mr Lilley: In that case, let me say two things. First, the hon. Gentleman and the remain side were singularly ineffective in rubbing that claim, despite the fact that I heard it being rubbed many times. Secondly, he says that working-class voters—Labour voters—would have voted to stay if they had known it was only £200 million a week, but were prepared to vote to leave for £350 million. He has put a price on their vote of the difference between those two sums, which I do not find true.

Peter Grant: Will the right hon. Gentleman give way?

Mr Lilley: I will continue, if I may.

If it was a lie for the leave side to refer to our gross contribution without netting off the money we get back, were not remain campaigners just as dishonest to focus on money we get back without mentioning the contribution we make? Remainers frequently claimed, with no rebuttal from the BBC, that the EU gives millions of pounds to universities, researchers, farmers, regions and so on, with no mention that British taxpayers contribute £2 or £3 for every £1 returned to us. They cannot have it both ways and say it is wrong for one side to mention the gross figure, but not for the other. I doubt if the outcome would have been any different if the leave battle bus had painted £200 million per week on its side, rather than £350 million. I met countless voters who said, “My heart is for leave, but my pocket says stay.” They were convinced by “Project Fear” that they would be worse off if we left the EU.

The Treasury analysis of the immediate economic impact of leaving the EU said that “a vote to leave would represent an immediate and profound shock to our economy. That shock would push our economy into a recession and lead to an increase in unemployment of around 500,000, GDP would be 3.6% smaller, average real wages would
be lower, inflation higher, sterling weaker, house prices would be hit and public borrowing would rise compared with a vote to remain.”

On top of that, we were promised a punishment Budget that would take away benefits from the sick, the disabled and the elderly. None of those things, I am happy to say, have occurred. There has been some hope from one or two Opposition Members that they will occur in due course.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Does not the suggestion of a punishment Budget prove that the former Chancellor was a bluffer? He bluffed; he did not have a punishment Budget. By extension, his threat to Scotland of not sharing a currency was further evidence of yet another bluff.

Mr James Gray (in the Chair): On the subject of a second referendum, Mr Peter Lilley.

Mr Lilley: The Scottish nationalists want to refer to the previous referendum, which they lost, but I will not be tempted down that path.

“Project Fear” could have become a self-fulfilling prophecy: I was rather afraid it might. In fact, in the month or two since the referendum, job listings are up 8% on last year; consumer spending is up 1.4%; manufacturing orders are at the highest they have been for 10 months; house builders have reported strong demand; and Moody’s is confident the UK will avoid a recession. That is clearly a disappointment to one or two Opposition Members, who were hoping for bad news to justify their “Project Fear”.

In one respect, they were right: sterling is, indeed, lower. However, the IMF—whose boss was famously once a member of the French national synchronised swimming team—joined in a synchronised campaign of gloom, saying that a leave vote would be bad to very, very bad. The IMF now welcomes the fact that the exchange rate move has removed some, but not all, of sterling’s previous overvaluation. Had the whole establishment of this country and of international unelected bureaucracies forecast what has occurred rather than what they predicted would occur, I cannot help feeling that the result would have been even more emphatically to leave than was the case.

The second argument for a second referendum is that the leave campaign had no plan for Brexit. That is a bit like saying that countries such as India, Canada, Australia and even the American colonies had no plan for independence. Of course they did, and we are the same. It is to take back control of our laws, our money and our borders. That is what countries do when they become independent. That is the purpose and that is the plan. By definition, that means we will not be part of the EU internal market. The precise trading arrangements we may have with the EU will depend on what it wants to arrange in its interests as well as ours.

There are only two realistic outcomes, both of which are perfectly acceptable to the UK. We could trade with the EU on WTO terms and the same basis as the EU’s three biggest trading partners—the US, China and Russia—trading very successfully with the EU, which would mean facing tariffs averaging 4% on our exports, but that would be more than offset by the 12% improvement in competitiveness as a result of the change in sterling; or we could continue to trade on the current tariff-free basis. Neither option should require complex negotiations. To go from zero tariffs to zero tariffs is quite simple. To go from zero tariffs to WTO tariffs is quite simple. We should not be in for a prolonged and unnecessary delay in reaching agreement on one of those two options.

The final argument I want to deal with is that the referendum was only advisory. I debated daily with remainers—sometimes three times a day—but not once did a remain opponent say to the audience, “Oh by the way, this referendum is just advisory. If you give us the wrong advice we will ignore the result and remain in the EU anyway or perhaps call another referendum or vote against application of article 50 and the referendum result until we get the right result.” Did any Opposition Member say that to an audience and can they give me chapter and verse of them saying that they would treat the result as advisory and ignore it if they did not like it? Not one of them did. Now they are pretending that the whole thing was advisory. I forget which hon. Member said that was made clear during the debate.

On the contrary, the then Foreign Secretary, who introduced the Referendum Bill, said that it was giving the decision to the British people. When launching the campaign, the Prime Minister said:

“This is a straight democratic decision—staying in or leaving—and no Government can ignore that. Having a second renegotiation followed by a second referendum is not on the ballot paper. For a Prime Minister to ignore the express will of the British people to leave the EU would be not just wrong, but undemocratic.”—[Official Report, 22 February 2016; Vol. 606, c. 24.]

It was spelled out at the beginning of the referendum debate and again and again during it that this was a decisive choice for the British people. If we ignore that choice now and treat the British people with contempt, we will undermine their respect for democracy and prove how little faith we have in it.

5.42 pm

Mr Chuka Umunna (Streatham) (Lab): This debate is nominally about the threshold that we should have applied to the EU referendum, the argument being that if the leave or remain vote secured less than 60% support in a turnout of less than 75% there should be a second referendum. For the benefit of the right hon. Member for Hitchin and Harpenden (Mr Lilley), the motion arises from a petition by a leave campaigner who presumably lacked confidence at the time that his side of the argument would be victorious.

Of course, the debate is no longer about thresholds, but the more substantial question of a second referendum. I will quickly dispose of the threshold issue and move to the wider debate that is raging on the main issue.

On thresholds, the aim of the petition is reminiscent for me of the amendment successfully tabled by our Labour colleague, George Cunningham, in 1978 to the Scotland Act 1978, which provided for a referendum on Scottish devolution. He was thoroughly opposed to devolution for Scotland and his amendment would have required at least 40% of registered Scottish electors to support devolution for it to go ahead. The amendment failed and the effect of “killing” devolution then became, although a majority in the poll 51.62%—voted for devolution with 48.38% voting against, the turnout was 64%, so just 32.9% of registered electors had actually
voted in favour. As the hon. Member for Weston-super-Mare (John Penrose) pointed out, the institution of that mechanism had the effect of promoting the status quo.

I do not think it is desirable generally to hold lots of referendums because our constituents send us here to make decisions based on the manifesto and set of values that we put forward. Ideally, we should trouble our constituents with referendums only in the most exceptional circumstances. When major constitutional issues are at stake, it seems to me that there is some justification for that.

When we do have a referendum, as on this issue, I am sceptical about applying the high threshold proposed in the petition. I think there is great difficulty in telling those who have supported the proposition which, on the face of it, they seem to have done by a clear majority, that it cannot be carried because there has been a low turnout. After all, we are all here and a low turnout has not been an obstacle to any of us being elected. A low turnout or lack of support for a particular Government—the present Government has the support of less than 25% of registered electors—does not stop them taking office. People might question whether thresholds and mechanisms that were not applied to us during an election should be applied in a referendum.

I worry that with such thresholds we may end up with people seeking deliberately to depress turnout in what is, whatever side of the argument they are on, a thoroughly active democratic exercise. I am not completely closed to a higher threshold, given the constitutional change, but I am sceptical.

Stephen Doughty: My hon. Friend is making an interesting point, but does he agree that—as I have seen in correspondence—constituents who signed this petition were reflecting not the detail of thresholds and so on, but their feelings about this. The right hon. Member for Hitchin and Harpenden (Mr Lilley) talked about people being emotional and pulling themselves together, but the real issue is how people felt about being lied to, the lack of clarity on the options before them and the clash of mandates when it comes to devolved Administrations, certainly in Wales. Does he agree that there was something more fundamental about how people felt in the aftermath and that we must do a lot to bring people back together?

Mr Umunna: I do not disagree with that. I will move on from thresholds, but the danger is that they may be seen to ignore views on either side.

Matt Warman (Boston and Skegness) (Con): As the hon. Gentleman knows, in my constituency of Boston and Skegness, the turnout was 77% and the vote to leave was also 77%. His point cuts both ways. If we were to have a second referendum, the sense of disempowerment in a constituency such as mine—and of going against democracy itself—would be palpable.

Mr Umunna: I agree with the hon. Gentleman. I was going to mention his constituency, where he kindly hosted a visit for me. For the record, he represents the area that had the highest leave vote. I represent the area that had the highest remain vote. I wanted to go to see whether we could perhaps heal some of the divisions in society. That miraculously takes me to my first point on the substantial issue and whether we should have a second referendum.

My first point is that, yes, the referendum clearly delivered a decisive result, but it was not a landslide for leave. Different generations voted differently and I certainly saw that in the constituency of the hon. Member for Boston and Skegness. Different areas of the UK voted in different ways, as did different ethnicities. It is incumbent on all of us, given that I have just mentioned, to see how we can stitch together this fragile democracy of ours. It was very much in that spirit that I made the visit to Boston and that I came to this issue.

The second issue that I want to raise is this. I campaigned all over the country for us to stay in the European Union. I led the Labour In for Britain campaign in London. I was one of the main national spokespeople for Britain Stronger In Europe. However, it would be disingenuous to deny what has partly powered this petition: a split has arisen in the remain camp post the referendum result. Half of remainers think that Britain has voted to leave; that is what the polls show, and now the Government have a duty to carry out its wishes and get the best deal in order for us to leave the European Union. Slightly less but about half—I am sure that many of those here who applauded would fit into this category—think that we should ignore the vote to leave or seek to overturn it by way of the second referendum that we are talking about today. So inevitably what I am going to say will disappoint half the people I have been campaigning with over the last few months.

It is true that a lot of overblown claims, misleading promises and the rest were parroted by the leave campaign. The right hon. Member for Carshalton and Wallington (Tom Brake) said that perhaps there were a few overblown claims on our side as well. However, in the end, the leave campaign won, and it is important that it is held to account now for what follows, because it was the victorious side in the debate. That is why I, the right hon. Gentleman, my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) and the right hon. Member for North Norfolk (Norman Lamb) have set up Vote Leave Watch—to scrutinise what comes out of the deal and to seek to ensure that people are held to account. Frankly, it is as much to give a voice to the 48% who voted to remain as it is for the 52% who voted to leave to see whether promises have actually been delivered. In so doing, we will hopefully try to forge a national consensus and bring the two together.

Kwasi Kwarteng: I have just a quick question on the point that the hon. Gentleman made with respect to a split in the remain vote. Given that the remain vote, as polls suggest, is split and given that he is a keen observer of the political scene, does he honestly think that a second referendum held, say, within the next year would overturn the result that we saw on 23 June?

Mr James Gray (in the Chair): I call Chuka Umunna—

Mr Umunna: I will come on to that.

Mr James Gray (in the Chair): Bearing in mind the clock.
Mr Umunna: Oh, bearing in mind the clock, I was going to come on to that very point, but I just want to say that for remain campaigners to accept the will of the people is not to wave the white flag. It is not to say that the arguments that we have been making over many months are any less valid. But in the end we have somehow got to work out how we move forward and do so together.

One of the main reasons why I rejected the politics of many of those who voted for us to leave was that I felt that they peddled division and tried to set different groups against each other in our society—not all of them, but many. What I worry about in moving straight to the call for a second referendum is that it would further divide our country. Are we really saying that all the leave voters were completely brainwashed by all the misleading claims and myths that were parroted? Are we really saying that they were incapable of taking a step back, taking a view on all the different facts that were presented by either side and making their own judgment? Are we really saying—frankly, I have heard a lot of this—that they were just brainwashed by a bunch of right-wing tabloid newspapers? I am sorry; I just do not accept that argument, and there is a real danger, if we talk like that about people who voted to leave the European Union, that we are simply reinforcing the view that we are some kind of metropolitan elite who know better than other people. There is a real risk that we are seen to be patronising them.

So what are the circumstances in which I would entertain our having a second vote? A very clear set of promises were made. There would be £350 million going to the NHS every week. We would maintain full access to the single market, while not having the free movement of people. EU citizens already here would be given the right to stay. As far as I am concerned, a set of clear pledges were given by all the different vote leave campaigners. I believe that if the deal that is reached at the end of this process is substantially and materially different from that many of the leave voters believed they were promised, we could legitimately ask for a second referendum, but the fact is that we have not got to that point yet. If we go straight to one now, we will simply further divide our country. I say to people that as hard as it is—I feel emotional talking about it now—that we did not win the referendum, we have to keep this country of ours together and work out how we build those bridges. Regardless of where we sat in that debate, all of us have a duty to do that.

Mr James Gray (in the Chair): Before I call the next speaker, I point out that if hon. Members restrict themselves to seven or eight minutes, we stand a chance of getting everybody in. If they go on longer than that, there will be people who are disappointed at the end.

5.55 pm

Caroline Lucas (Brighton, Pavilion) (Green): I am happy to follow the hon. Member for Streatham (Mr Umunna) because he made some very powerful points. The petition that we are discussing has more than 4 million signatures. To me at least, it is an understandable expression of pain and anger in response to a bitterly fought EU referendum campaign that has left this country, as the hon. Gentleman said, deeply divided. Pain and anger is certainly felt in my constituency of Brighton, Pavilion. It had one of the highest rates of people voting to remain—about 69%—and one of the highest numbers of people signing this petition: about 19,500 at the last count. But however much many of us might wish the outcome of the referendum had been different—I certainly do—and however much we might argue that the level of lies and misinformation during the campaign undermines the legitimacy of the outcome, I agree with those who have said clearly that trying to impose a retrospective threshold and in effect rerun the referendum is bad politics and worse democracy. Indeed, what better way would there be to reinforce the perception that the so-called metropolitan elites care nothing for those in more distant and perhaps disconnected communities than simply ignoring everything that they have said?

Instead, the anger and alienation felt by many who voted leave needs urgently to be addressed. For many, it was a howl of rage against exclusion and powerlessness. Their voices have to be heard, not just in the referendum but all year round. A crucial way to ensure that is to crack open the current political system, which encourages the main parties to listen almost exclusively to swing voters in marginal seats at general elections and ignore everybody else. If we are to set about healing the deep divisions in society that the referendum has laid bare, one task must be urgently to build a more representative, inclusive democracy, and that can be brought about only through electoral reform. If the Brexit campaigners were serious about giving people back control, a good place to start would be democratic control. A political system that delivers government on the basis of just 24% of the eligible vote clearly does not give us that.

Brexit means Brexit, so we are told. I believe that we need a second referendum on the terms of any Brexit deal because we have absolutely no idea what is on the other side of the door marked Brexit. We might have chosen to open that door, but even now, two months after the vote, we have no idea—not even the dimmest shape—of what on earth is on the other side.

The Government’s paper on alternatives to EU membership gave four options. The BBC lists five. The Centre for European Reform sets out seven. Which of those was voted for by those voting leave? None of them. How many will we end up with? Well, one of them. What parliamentary or, indeed, public scrutiny have we had of an actual plan to leave the EU? Absolutely none because there was not one and there is not one. That is why I strongly support not just maximum parliamentary scrutiny but calls for a further referendum on the terms of Brexit once they are clear, and on our future relationship with the EU, so that we can all assess what that looks like in the real world. During the campaign, when pressed on the alternative to EU membership, leave campaigners would squeal that they could not possibly be expected to answer those questions because they were not a Government in waiting, but rather they wanted the British people to be in control. What would fulfil that promise more thoroughly than ensuring that the public had the opportunity to cast a positive vote for what a potential Brexit looks like, in addition to their vote against remaining part of the EU?
Before a referendum on the terms of Brexit takes place, lessons must be learned and the Government need to take a long hard look at the Electoral Reform Society report called “Doing referendums differently”. Let me give just a few quotes from it. It says:

“There were glaring democratic deficiencies in the run-up to the vote, with previously unreleased polling showing that far too many people felt they were ill-informed about the issues...the top-down, personality-based nature of the debate failed to address major policies and subjects, leaving the public in the dark...misleading claims could be made with impunity.”

The Electoral Reform Society calls for

“a root and branch review of referendums, learning the lessons of the EU campaign to make sure the mistakes that were made in terms of regulation, tone and conduct are never repeated.”

I echo that call, because it is clear that there was so much misinformation; yes, it was on all sides, but I believe that on the leave side it was particularly egregious. We were told that we could end freedom of movement and keep full access to the single market. We were told that we could continue to benefit from being part of the single market, yet somehow take back control, make all our rules here in the UK and cease having to follow EU rules. Then there was the famous £350 million a week for the NHS; the truth is that we will not have any extra money, let alone an amount anywhere near the lie of all lies that disgraced the side of a perfectly innocent bus for months on end.

[SIR DAVID AMESS IN THE CHAIR]

Mr Lilley: Is the hon. Lady aware that the EU has free trade agreements with some 50 countries, only three of which have in return granted free movement of labour and made a contribution to the EU because their Governments were planning to enter the EU? The other 47 have free trade agreements with no free movement and no contribution. Why should we be different?

Caroline Lucas: Is the right hon. Gentleman aware that there is a wealth of difference between free trade and being part of the single market? He has talked at length about tariff barriers. The big issue about membership of the WTO is non-tariff barriers. He really should keep up with where the debate is at. That is where it is at right now. All this focus on tariffs was a very clever red herring for people who do not know about trade agreements, but I have actually studied them, I have worked on them for years, and I can tell him that there is a wealth of difference between trade agreements and membership of the single market. That was yet another lie perpetrated during the referendum campaign.

We need people to be given a say and to have real control over the terms of any Brexit deal. We need maximum public engagement and parliamentary scrutiny. That means that the Government must set out their plan for what they want Brexit to look like. They need to present that to the people in an early general election to secure a mandate that currently they do not have, then they need to ensure full and proper parliamentary debate and scrutiny, and only then allow MPs to vote on whether to invoke article 50 and set in train the formal process of leaving, so that we know what direction that train is going in. In addition, we should argue for wider public engagement, giving opportunities for meaningful input throughout the process, as well as maximising input from civil society organisations, NGOs, charities, businesses, local authorities and other stakeholders. To claim that we want to take back control of the UK’s future, but refuse measures to maximise parliamentary and public scrutiny, is unforgiveable, contradictory and harmful.

The Greens argued during the referendum campaign that outside the EU there is a very real danger that the UK will seek to compete with other countries by weakening social and environmental protections and by becoming, in effect, a tax haven. That is still the case. In the debate running up to a second referendum on the terms of a Brexit, some of the key issues that we will want to keep in mind, in terms of how we might vote in that second referendum, are, for example, whether we can maintain freedom of movement and full rights of EU citizens in the UK, whether we can continue to have full access to single market and, crucially, whether we can have the important environmental protections that we currently enjoy thanks to our EU membership—whether on air, water, or wildlife. It is not just keeping what we have; we should improve that and absolutely lock it down in law. One big concern that people have right now is about what will happen to the habitats directive and the birds directive; those are the gold standards for environmental protection and we need them to be preserved in any new environmental settlement. Perhaps that needs to be in a new environmental Act, but whatever happens, there must not be a race to the bottom on standards. We need to retain EU-derived workers’ rights, social and consumer protections and human rights, again, as a bare minimum that we should seek to build on. We should be putting young people first.

Finally, we should ask the Government right now to give a guarantee to EU nationals who have made this country their home in good faith; the Government should say right now that they are welcome to stay and that they have an absolute right to stay. Anything less is simply using people’s lives cynically as chips in a bargaining negotiation, and that is neither right nor moral.

6.4 pm

James Cleverly (Braintree) (Con): About a month before the referendum, when the result was widely expected to be successful for the remain campaign, I was asked on “Newsnight” whether I would respect the result of a close remain vote. I said that even if remain won by only by one vote, I would respect the decision. I note the point made by the hon. Member for Streatham (Mr Umunna) that the petition was actually started by someone campaigning for leave, perhaps in the expectation of a remain win. Had that outcome happened—had remain been victorious in the referendum—and this petition had come before us, I would have stood up and given fundamentally the same speech that I am going to give now, saying that I respect the outcome of the referendum and suggesting that a second referendum is completely inappropriate. That is driven not by the result of the referendum but by what I believe to be a fundamental cornerstone of the democratic process.

The question on the ballot paper was clear and unambiguous, irrespective of what Members have said, or might say, in this debate. The question was whether the UK should leave the EU. Some Members who have
spoken in this debate, and who I have spoken to about the issue, have attempted to retrofit a whole series of other implied questions into that referendum question. Questions about the nature of sovereignty, the nature of international trade and the nature of border controls are not unimportant, but they were not the question on the ballot paper. The question on the ballot paper was clear and unambiguous; to suggest that somehow it was other than that is grossly unfair.

A number of Members have said that the Government should be forced to abide by the campaign ideas of Vote Leave. I understand the thinking behind that, but it is worth remembering that Vote Leave was a cross-party, single-issue campaign group. There were Conservative politicians, Labour politicians and UK Independence party politicians in Vote Leave. I believe there may have been Liberal Democrat supporters, if not politicians, and there was a member of the Green party—just one, I know, but they were there none the less. It is ridiculous to demand that a Conservative Government be forced to deliver the agenda of a cross-party campaign group. If the remain campaign had won, no one with any credibility would have demanded that the Prime Minister bring Will Straw into the heart of Government to start dictating Government policy.

Mr Umunna: The hon. Gentleman and I had many debates during the referendum campaign, but, I am sorry, I do not accept his point about accountability. There is a complete contradiction here: many on the leave side made accountability and transparency the cornerstones of their campaign, but when people legitimately seek to hold members of the Government who voted leave to account for their pledges, they now say that there should be no accountability. To me, that is contradictory and not acceptable.

Sir David Amess (in the Chair): Order. Before the hon. Member for Braintree (James Cleverly) resumes, may I say that the wind-ups will start at 7 o’clock, and by my maths at least five or six people still wish to speak? I hope that hon. Members will bear that in mind.

James Cleverly: The hon. Member for Streatham has pre-empted my next paragraph, so I thank him for that. He may read my speech to prove to him that I am not retrofitting anything.

Although it is not incumbent on the Government to take on board the campaign ideas and slogans of Vote Leave, it would be unwise of any Government to ignore some of the fundamental issues that came to the fore during the referendum campaign, such as the desire for greater domestic sovereignty for this country, for the re prioritisation of Government spending to domestic expenditure—for example, a significant upturn in spending on the national health service—for the control of borders and for greater international trade. Without a doubt, through the negotiation process and in the aftermath of our exit, the Government will need to put to the British people a credible plan on those issues and a whole host of others to have a realistic chance of being returned to government.

That brings me to my fundamental point. The way parliamentary democracy and parliamentary accountability work is that prospective Governments should put forward their ideas. Those ideas should be voted on by the British people, and those Governments should be held to account for the delivery or otherwise of that agenda.

It is helpful to think about the chronology. We are likely to see article 50 invoked relatively soon, I suspect. Then over the next couple of years, as timetabled by article 50, we will see a negotiated position, which I suspect will be in the public domain in the lead-up to the 2020 general election. The Prime Minister will no doubt put forward the Conservative plan for what Brexit will look like in real terms, including on immigration policy, public spending policy, trade policy, defence policy and so on. I am sure the Labour party—I will rephrase that: I hope the Labour party—will be able to put forward an agenda for what its impression of Brexit looks like, including its public spending priorities, immigration plans and international trade plans. The Liberal Democrats and the Scottish National party will do likewise. If one of those parties wishes to say, “Actually, do you know what? None of the deals on the table is good enough. We will rejoin the EU and overturn the explicit mandate from the EU referendum,” good luck to them. They can put that in front of the British people and let us see what they come up with.

Peter Grant: The hon. Gentleman is painting quite a tempting scenario. Is it not the case, first of all, that once article 50 is triggered, the United Kingdom will not have any unilateral right, and if we do not have a negotiated deal within two years, Europe will then be entitled to tell us what the deal is? Secondly, is it not the case that deciding to remain in the European Union is relatively straightforward? However, if the United Kingdom were to try to get back in as a new member state after leaving, the UK as it is now would fail the democracy test and would not be eligible for EU membership.

James Cleverly: I take the hon. Gentleman’s point on board. Although I disagree with some of the fundamentals underlying it, it is a valid point, but the status quo is as I described it.

Stephen Doughty: Will the hon. Gentleman give way?

James Cleverly: I will take the hon. Gentleman’s intervention, then I will come to my concluding points.

Stephen Doughty: The hon. Gentleman is being very generous. Does he not accept that there is another fundamental problem with issues on which competence is wholly devolved? An example is agriculture, fisheries and environmental policy in Wales and, I am sure, in other devolved Administrations. Those matters are now devolved, which was not the case when we went into the EU originally. There is not even any legislation on Welsh fisheries, for example; it is an England and Wales matter, but it is devolved. We will have to start from scratch on that. Does he not accept that the Welsh Assembly and the Welsh Government should have a full say on any package that is put together? Forget about whether we have a say here in Parliament; at the very least, that has to be the case.

Sir David Amess (in the Chair): Order. I absolutely agree that the hon. Member for Braintree is being very generous, but there are now 45 minutes left and still six people wishing to speak.
James Cleverly: I will wrap up the points made by the hon. Member for Cardiff South and Penarth (Stephen Doughty) in my conclusion. They are serious questions, and I do not pretend that I am an expert on regional devolved Government. I have come from London government, and I know that the settlement is different in various parts of the country. I will not try to second-guess how that might play out. There will be a lot of legislation, and we are going to be very busy, there are no two ways about that, but as has been said, the referendum result is not like declaring independence from a colonial power—or not in all respects. In some respects it is, in that the future is by definition unwritten. Political parties go into general elections outlining their visions for the future, and they are tested by the electorate. The nature of devolved government, whether to Scotland, Wales or wherever, will be part of that.

I conclude by saying to those calling for a second referendum, “Be careful what you wish for.” People have to understand the status quo, which is that we are leaving the EU. Ultimately, if the proposal in the petition were to be successful and a second referendum were to be put to the British people with a new set of criteria, that would be the status quo hurdle that people would be seeking to overcome with a turnout threshold of three quarters.

Everyone recognises that uncertainty is bad for business and unsettling for families. If we were to go down the route of a second referendum, we would introduce a whole load of new uncertainty that would be destabilising for families and bad for business. I strongly urge all Members to reject the proposal, move forward and deliver Brexit in a way that is beneficial to the British people. Those who want to put forward their version of the future will be part of that.

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Everyone recognises that uncertainty is bad for business and unsettling for families. If we were to go down the route of a second referendum, we would introduce a whole load of new uncertainty that would be destabilising for families and bad for business. I strongly urge all Members to reject the proposal, move forward and deliver Brexit in a way that is beneficial to the British people. Those who want to put forward their version of the future will be part of that. However, more than 90% of those who got in touch with me expressed serious concerns about the referendum and its outcome, including some who voted to leave and now regret that decision.

A common cause for concern is the basis on which the referendum was fought. I know that outlandish assertions were made on both sides of the debate, but the leave campaign made several high-profile claims about the benefits of Britain leaving the EU that were either demonstrably untrue or simply impossible to commit to. The most misleading one was given an air of legitimacy by the misuse of the NHS logo by Vote Leave—I wrote to the Health Minister about that during the campaign, and I understand that the NHS has sought legal advice about it. I know of at least one front-line health worker in Newcastle who decided to vote leave on the basis of the additional £350 million a week that would be directed to the NHS. Unlike the hon. Member for Weston-super-Mare (John Penrose), I agree with the recent conclusion of the Electoral Reform Society that we need to look at “doing referendums differently”. In particular, I agree that an official body should be set up with the task of intervening when misleading claims are made in future campaigns.

Many constituents also contacted me about the highly divisive and unpleasant nature of the referendum campaign. I fully acknowledge that feelings on Britain’s membership of the EU have run very high for many years. However, to exploit those feelings and stir up bigotry against those who appear to be different is unforgivable. A Britain that seeks to divide people is not a Britain that I want, or anyone else’s, children to grow up in, and I find it incredibly distressing that anyone should have been made to feel unwelcome, or worse, as a result of that process. It is quite clear that that has happened and that the position is being made worse by the Government’s continued failure to confirm the long-term future of EU nationals in the UK.

Perhaps my constituents’ single biggest concern is the Government’s failure to anticipate or plan for the outcome of the referendum. The new Chancellor may have told the Select Committee on Foreign Affairs that he did not “see the need” for contingency planning but, frankly, that beggars belief. One of my constituents said that he was “left horrified” by the situation. Many are incredulous that the Government could have put the question to the British public without at least considering the possibility that they might not get the answer they wanted.

We now face weeks, months and even years of prolonged uncertainty about what “Brexit means Brexit” really means as we try to work through the incredible intricacies of extricating ourselves from the EU. What will Brexit mean for the countless individuals across the UK whose lives will be directly impacted by leaving the EU? Two of my constituents came to see me; they have worked in the EU for a decade but have no idea what will happen to the pension contributions they have made during that time. What will happen to our driving licences and our European health insurance cards once article 50 is triggered? That is a pretty important question for the millions of British citizens who regularly travel to the EU for work or holidays.

Under what circumstances will north-east firms be able to trade their goods and services to EU and non-EU countries in the future? That knowledge is crucial to the only region in the UK that consistently exports more
than it imports, with some 58% of north-east exports currently going to the EU. What will happen to EU nationals who have made a life for themselves in the north-east, such as the 1,000 people who work in the NHS and the 600 university staff? Those are just two examples.

As one constituent asked me, what is the timescale for leaving the EU so that industry, academic institutions and other organisations have sufficient time to prepare? Crucially, what will happen to the £726 million of European funding due to the north-east over the next five years, not least because the north-east has received only 20% of its EU funding allocation so far? How will the Government ensure that the devolution deal—which is apparently still on the table for our region—is meaningful, given that it was largely underpinned by EU funding that the north-east was due to receive?

To what extent will the north-east be involved in the Brexit negotiations? Britain leaving the EU will clearly have a profound effect on my region and I share the determination of the North East Combined Authority that our voice is heard as loudly as anybody else's throughout the process. How will the Government be held accountable for any of this?

Those are just some of the many unanswered questions about what Brexit actually means. Until we have the answers, we will not even know what Britain voted for about what Brexit actually means. Until we have the answers, we will not even know what Britain voted for. We will not know what the future will bring for our region. We will not know how Brexit will affect our community. We will not know how Brexit will affect the north-east, such as the 1,000 people who work in the NHS and the 600 university staff. Those are just two examples.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Will the hon. Gentleman give way?

Ian Paisley: I will, briefly. I am only going to give way this once and the hon. Lady is the lucky contender.

Dr Whiteford: To continue the hon. Gentleman's analogy, does he share my fear that we might be walking around in the wilderness for 40 years?

Ian Paisley: I love it. The analogy is brilliant because for the past 40 years we have been walking in the wilderness of the EU and at last we see the promised land. We are getting there. We are not even four months in and I think that the promised land—the horizon—is more than there.

I agree with something that was said by an earlier contributor. It would be a real slap in the face if we did what some people want to do—have the vote again. That would say to the people, "You voted, but damn you. We're going to make you vote again until we get the right result." People have mentioned urban elites, metropolitan elites and all the rest of it, and that approach would just be arrogant. We are here as servants of the people and, as servants, we must do what the people have asked us to do. We seldom trouble the people with referendums.

Ms Margaret Ritchie (South Down) (SDLP): Will the hon. Gentleman give way?

Ian Paisley: No, I will not give way again. I have said clearly that it would be unfair on the other five people who want to speak.

It would be unfair for us to trouble the people—to say, "Give us your view" and then, "Damn you. We're going to ignore you." That would be immoral and absolutely wrong.

Another point I agree with is that we must be careful what we ask for. If we say that there will be huge thresholds in the future, what if, at some time in the future—and we all know this would be madness—someone crazy decided to pursue the crazy notion that we should have a referendum on, say, Scotland leaving the Union? If the result was wrong because we decided that the wrong result emerged or if there were not enough votes for that wrong result and we said, "Let's have it again until you give us the result we want", I would feel insulted for the Scottish people as I feel insulted now when some people tell me, "You voted leave, but it is not the right result and we've got to have that vote again." That is immoral, wrong and anti-democratic. It is about time we listened to the people and put in place what the people want even if some of us find it distasteful and if it is not what we want to do.

Turning briefly to the petition, I have been told by some who have emailed me—those keyboard warlords in my constituency—that I had better turn up to this debate, vote in a particular way and have a rerun of the referendum because thousands of them have signed the petition. Of course, I looked closely at the petition and I have heard some of the arguments, but only 2,479 people from my constituency signed or emailed that petition. Frankly, I get larger petitions for rural potholes in my constituency. That is not a joke.
I had a petition with thousands more signatories for caravan legislation in the previous Parliament. As parliamentarians, we must remember to avoid the view that we are ruled by the tap of a keyboard and that just because someone taps “send” on a keyboard, we had better crack to that and jump to that particular order. We take our judgment seriously and we are here, as Burke said, to give our judgment and to give of our industry. We are not here to be told, at the click of a keyboard, “That’s the way you should vote in the future.” We should all, as parliamentarians, take that responsibility very seriously indeed because that is our role and our job.

Tens of thousands of people who signed the petition did so fraudulently. I am not dismissing the millions who genuinely signed the petition, but 77,000 signatures have been wiped out. I looked through the petition today, and someone signed it from the Solomon Islands. Tens of thousands of people have signed it from France. Frankly, one of the reasons why we voted to leave the EU was because we want to take decisions about ourselves and about our own country without jumping to the will of people outside this country. We should therefore not allow ourselves to be bullied by petitions; we should do what the people have told us to do and implement the result properly.

Finally, I agree with the argument that the debate was not good enough and was flawed on all sides. I think we can all share that view. Many a time during the leave campaign when I tried to raise agricultural issues and the importance of ensuring that we have an agriculture deal post-Brexit, I was told, “Oh, no, this is not about that detail. This is about sovereignty. Get on to that. That is what you must talk about.” When I got on to sovereignty, the same people on the remain side were saying, “But what about the farmers? What will they do? What will they do for their single-farm payment?” That is the nature of the maelstrom we are in. In politics we have to make those arguments. It is upon us if we fail to make those arguments, but it is also upon the media at times for not allowing a proper debate on many of these issues. The media were not interested in pursuing the details of what we were saying. Our campaign produced a detailed 100-page document on many of the key issues about future trade negotiations, and it got on the front page of the newspaper before the newspaper went on to something else altogether. If there is a future referendum on any other subject, the media bears some responsibility for a proper and full debate.

Of course, we now have the madness that says that any bad news is all because of Brexit and that any good news is because there has not been a Brexit yet. We cannot have that nonsense. We are moving to Brexit, and the faster we get there the better for clarity, for all our country and for all our people’s sake. The hon. Member for Ross, Skye and Lochaber introduced the motion, and he is a great lad from bonny Scotland. I get on very well with him, and he is my namesake, but this sort of thing sounds a bit like being a bad loser. We have to pull together and get the best deal for the entire United Kingdom.

6.32 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): Nearly 17,500 people in Ealing Central and Acton signed this petition and 72% of my constituents wanted to remain, so I am here on their behalf. When the enormity of the result set in on that night—I remember that the rest of the country did not go the same way—I was saying to people that if there were a vote on the repeal of the European Communities Act 1972, I would have no hesitation in voting against, but we are not talking about that today. We are talking about this petition, which states that any referendum should have a 60% vote one way or the other and that there should be a 75% turnout. In answer to that, the Government have already said that the referendum was a democratic exercise in which 33 million people had their say and that the goalposts cannot be moved afterwards. I accept that logic. We cannot rerun a football match if we do not get the result we want. I was in Iceland this summer, and the people had the match ball from that horrible game just so they could rub salt into the wounds of English holidaymakers.

I accept all that. There is no parallel or precedent for what we have done. People say that 2016 is one of those years that proves the curse, “May you live in interesting times.” There have been a lot of celebrity deaths: David Bowie; Alan Rickman, who lived in Acton; and Muhammad Ali. Many of my constituents are going through a grieving process, and the saddest thing of all is “Britain in the EU, R.I.P.” In life, the probability of death is always one, but many of my constituents feel that the referendum result was not inevitable. The referendum was meant to put a lid on the issue and put it to bed. The previous Prime Minister was cowed by his own party’s internal politics, and this was meant to signal a full stop, but it feels as if we have uncorked a genie from a bottle, opened Pandora’s box or opened a can of worms—pick a cliché. The consequences are much wider ranging than any normal piece of legislation, because 40 years of law making will have to be undone, which will not be an easy process. There are two new Government Departments for a start.

We have all heard anecdotes and stories. I spoke to the head of Grange Primary School this morning, and he said that the day after the referendum parents, rather than children, from the settled EU population were in tears and fearing the worst. They thought that people would say, “Go home now.” Apparently things have not been as bad as they thought, but business people have lost contracts. We have a lot of Japanese residents in my seat, and many of the Japanese companies for which they work are saying that they will take their wares elsewhere. We are where we are.

I campaigned to remain, and I am the sort of person who is into building bridges rather than constructing walls, unlike Donald Trump in America. I was disappointed by the result, and I have to accept that the sky has not fallen in, yet. There is an argument that referendums are quite un-British. Why did we have this referendum at all? Some people in my party blame our current leader, but if there is one person whose door we can lay this at all? Some people in my party blame our current leader, but if there is one person whose door we can lay this at it is the previous Prime Minister. We are not Switzerland. There is an argument that we should not trust experts, and a good weight of expert opinion seems to have gone out of the window. The template seems to have been set in the three-hour statement he made when we came back on the Monday after the referendum. He got three hours of questions on all sorts of different aspects of Brexit, including hate crime and all the economic stuff, and the two responses he seemed to have were, “We must
accept the will of the people” and, “That is a matter for my successor.” He seemed to say those two things, in either order, in answer to everything.

We cannot carry on with business as usual because things have been so drastically altered—a new political settlement lies ahead—but some safeguards need to be put in place if we ever have another referendum in this country. Safety valves and safeguards are an absolute necessity, not just a feasible prospect. The thresholds in the petition are quite high: 60% have to vote one way or the other and there has to be a 75% turnout. When he was Prime Minister, the right hon. Member for Witney (Mr Cameron) probably thought that the vote would go the way of his other referendums. The referendum in 2011 on the alternative vote had a turnout of 42%, with 69% voting against, so it would have satisfied one of the thresholds but not the other. There is something in the argument that thresholds would protect us from close calls, but I do not know exactly where we should set the numbers.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Will my hon. Friend give way?

Dr Huq: There is limited time left and I have waited ages, so I would rather not give way. I will talk to my right hon. Friend afterwards.

Any mobile phone contract now has a cooling-off period. There is a sense of buyer’s remorse doing the rounds. In a 72%-in constituency, I have had emails from people saying that they did not realise that leave would win. France bans opinion polls in the run-up to a vote, and we could introduce that safeguard. We are not saying that we should rerun exactly the same question, but we could ban opinion polls in the run-up to a future vote.

Nobody knows what “Brexit means Brexit” means. Members on both sides of the House have moaned the idea of having some sort of accountability process. At a general election both sides have a manifesto with codified promises. Perhaps in future the lead campaigns on both sides could have the same. We have heard that most of the promises were not worth the paper they were written on or the cost of the paint used to write the lies on the side of the bus. I advocate that both sides should have proper manifestos from now on. Yes, 48% voted the wrong way—or the right way, depending on how we look at it—but that cannot really be called a ringing endorsement. Maybe we should have some facts because it seems quite possible to do mendacity in these referendums.

From all the Government’s indications, rerunning a referendum that went the wrong way for our side is not an option but I argue for introducing certain measures. I agree with the hon. Member for Brighton, Pavilion (Caroline Lucas), who has now left the Chamber—[Interruption.] I am just concluding. This is my last sentence. We should have a referendum on the terms of Brexit, because nobody knew what they were voting on, so I advocate having a referendum on what comes after the negotiations.

I am being told to wind up. There is an American saying: “The people have spoken, the b*****d.” In some sense, I feel that way. In short, we remainers are down, but hopefully not out—not yet, anyway.

Sir David Amess (in the Chair): I would be grateful if the four remaining colleagues took five minutes each, without interruptions.

6.40 pm

Graham Stringer (Blackley and Broughton) (Lab): I will be as brief as I can, Sir David. I never thought of the referendum as a telephone contract before; I thought it was slightly more important than that. First, I am against the wording of the petition. If we put a threshold on turnout, it would simply be an incentive for people to stay at home; it would value their abstention like a vote. If we demand 60% voting one way, we would be saying that some votes are worth more than others, and that is a very non-UK tradition.

My second point is that the enthusiasm from both sides, before and after the referendum, has given the lie to what was said in opposition to having a referendum: that nobody cared about Europe. No political debate in this country since I have been in politics has raised such passion and commitment on both sides. Probably we should have had the referendum a good deal sooner than we did.

Thirdly, on the argument for having another referendum, I have looked through the record of the Second Reading debate on 9 June, and I cannot find one speaker in that debate, including some of the right hon. and hon. Members who have spoken today in favour of a second referendum, who was in favour of a second referendum or a referendum on the detail. It is sourness from losers who want another referendum, and it is being wrapped up as, “All right, we’ve lost the referendum; we’re out. We accept that—we’re democrats—but we’ll look at the detail.”

However, if we sit back and think about what that means, we find that it means complete uncertainty until the details are sorted out and a referendum is held. Although right hon. and hon. Members have said that it will not be another in/out referendum but will be about the details, if the details are rejected, it means either a third referendum or a reversal of the first referendum. In practice, it is a repeat referendum, which might require a third or fourth referendum, depending on how the legislation was worded. I am afraid that despite all the casuistry that has been used, it is an argument to have another referendum on the same issue.

An argument was made and it has been dealt with a bit. I strongly approve of the tone used by my hon. Friend the Member for Streatham (Mr Umunna) in this debate; I think that we need more of that and less aggression. He highlighted, as have other Members, the number of Labour voters and of poor and dispossessed people who voted out. It has been suggested that those people did not know what they were doing—that in some sense they were duped, or were voting out of anger and dispossession. That was not my experience. On the day of the referendum, I was out in my constituency, in what is either the poorest or the third poorest ward in the country, depending on how we count such things. I talked to people who were motivated to vote: some did not normally vote in elections, some did; some voted Labour, some did not. They did not say, “I am very angry and dispossessed.” They were voting out of a sense of patriotism and a belief that this country should be a self-governing democracy.
There is something insulting, particularly from Labour politicians, in saying that such people were just voting out of anger and did not know what they were doing. They certainly did know, and given that 70% of Labour constituencies voted to leave the EU, the Labour party has a great deal of serious thinking to do about how we relate to that. That is why I appreciated the statement that my hon. Friend the Member for Streatham made about trying to bring things together.

Finally, some in this debate have made claims about pledges made during the referendum. Let us be absolutely clear: lies or distortions—call them what you like—came from both sides in the referendum. In that sense, it was no different from a general election. In every general and local election that I have been in, I have thought my opponents were telling lies, and could justify it on many occasions. We would run every general election if we had to do so because lies had been told. The nature of debate in this country is to expose those lies, and the strength of our democracy means that they are exposed.

I was a member of the Vote Leave board. When we debated or said things, there was no idea that we could commit a Conservative Government to doing something. When I was asked “What does this mean?” during the 50 or 60 debates that I did in the run-up to the referendum, I said, “What we are actually voting for is the freedom for a United Kingdom Government to make decisions. I can’t commit that Government to doing anything, and neither can anybody else in this campaign.” To say that we have to hold to account those who made commitments, statements or arguments during the debate is simply nonsense in the kind of parliamentary democracy that we live in.

We should see the debate for a second referendum as what it is: people being angry because they have lost some hope. That will dissipate, and we can bring the country together. It would be dangerous, damaging and undemocratic to have a second referendum on the issue.

6.47 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Sir David. One reason why the petition had so many signatories is that there was some confusion about what Brexit might mean, and what “Brexit means Brexit” might mean. However, a consensus has now been clearly established in Westminster Hall that Brexit means breakfast. When I said that before the summer, the BBC thought it was a slip of the tongue, but my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) has confirmed that it is in fact the case. Whether it is a dog’s breakfast or a full Scottish breakfast has yet to be determined, but the Prime Minister has appointed some cereal Brexiteers to lead the negotiations. Perhaps it is no surprise that some of them are getting a frostier reception in European capitals, and that some of our neighbours just want to say cheerio to the UK as soon as possible.

I will reflect briefly on the petition system and how we got to this debate, the issue of thresholds and referendums and the differential result across the UK. Four million signatures was a remarkable achievement, as was the rapid pace at which it was achieved. The irony has been noted that the petition was started by a leave supporter who has since disowned it.

These Monday afternoon debates are becoming something of a showpiece, and a bit box-office. Often, this Chamber is busier than the main Chamber, although not perhaps this afternoon, given the two hours for which the Brexit Minister spoke. We are only too aware, though, that Parliament debating something is different from Parliament deciding something. We must be careful that the petition system does not give constituents the impression—as the hon. Member for North Antrim (Ian Paisley) suggested, some constituents do get this impression—that these debates will lead to an immediate change of policy. We all have a responsibility, as do the media, to be clear about what we are trying to achieve in these debates. As a member of the Procedure Committee, I will be considering how we can do so. The Government should listen to what the Procedure Committee said about private Members’ Bills, so that we Back Benchers have more opportunity to bring to the House concrete legislative changes.

The issue of thresholds is very important. The threshold in the 1978 Scottish Assembly referendum has been mentioned; if that threshold had been in place in this referendum, we would not have had a leave vote. The Scottish National party proposed the four-nation lock; if that had been accepted, the leave vote would not have stood either. The SNP reserves the right to question the result, and particularly the result as it pertains to Scotland, because we did not vote for the referendum legislation in the first place: we did not see the need for a referendum and we warned of exactly the kind of situation we have ended up in.

I was interested to hear from the champions of participatory democracy on the Government Benches this evening. I had understood that Parliament was sovereign and had the final say, but now it appears that they are prepared to concede some of that sovereignty to the people, which we are very happy to accept, because in Scotland we have always accepted the sovereignty of the people. Tomorrow in this Chamber we will debate the claim of right for Scotland, which accepts the right of the people of Scotland to determine the form of government best suited to their own needs.

The reality is that the people of Scotland have chosen to remain in the European Union, so that now has to form part of the UK Government’s consideration as they take forward their negotiating position. Although there may not be a second referendum on Brexit, there must be an opportunity for Parliament to express its will and its view on the article 50 process and on the results of the negotiations. As SNP parliamentarians, we will not vote for any proposal that would take Scotland out of the European Union against its will, and we will resist attempts to bypass Parliament in the process.

I understand and share the frustration of my constituents, more than 5,000 of whom signed the petition—the highest number in Scotland outside Edinburgh, interestingly enough. Some 78% of my constituents voted to remain; that has to be taken into account, and I hope the UK Government will engage with the Brexit Minister who has been appointed by the Scottish Government—that shows the seriousness of the Scottish Government in trying to find a solution that can work within the result that has been delivered. But at the end of the day, if there is a material change in circumstances—it was interesting to hear the hon. Member for Streatham
(Mr Umunna) use that phrase—we reserve the right to ask for another referendum—on the question of Scottish independence.

6.51 pm

Thangam Debbonaire (Bristol West) (Lab): I will try to cut out from my speech all the points that have already been made, to allow my colleagues time to speak.

Some 23,815 people in Bristol West signed this e-petition—I think that was the second-highest number—and in the referendum more than 80% of my constituents voted to remain. Many have told me of their sadness at the result. I know it will make some of my constituents unhappy, but I believe it is not right to hold a second referendum.

I shall briefly give the arguments for a second referendum and why I do not support them. Some have said that they feel the leave campaign was based on misinformation or lack of clear information; as others have said, that can also be said of the remain campaign that I fought as part of. Another argument for a second referendum is that the details of the deal were not known or clear at the time of the first; my hon. Friend the Member for Blackley and Broughton (Graham Stringer) made good points on that topic. Others have said that they would like MPs to scrutinise the detail of the deal, to hold the Government to account and to hold the Prime Minister’s feet metaphorically to the fire over every detail, but that they do not want another referendum. That is where my heart lies, and I feel many of my constituents are going to back me on it—I hope most will, if they hear my reasons.

Some of my constituents have told me that, no matter how sad they are, they feel it is important to respect the democratic process. Many people felt involved in this referendum and were moved to vote for the first time in their lives. They see this as an act of democracy and were disappointed that their views can be dismissed, but that also takes into account those who are concerned about what happens next.

The Prime Minister has indicated that the Government will not put the Brexit settlement to a vote in the House of Commons before article 50 is invoked. Indeed, I sat through the statement made earlier by the Secretary of State for Brexit and he did not mention that. In the referendum campaign, leave campaigners said repeatedly that Parliament should be sovereign. I particularly recall the hon. Member for North East Somerset (Mr Rees-Mogg) making much of that point in each of our many vigorous, lively and enjoyable debates. I believe parliamentary sovereignty is now being flouted, because the House is being denied the opportunity to debate the Brexit settlement fully and to vote on it before article 50 is triggered and the clock starts to tick. Once it is triggered, we all know that that will be it: we will be out in two years, with or without a good deal.

People of all views on Brexit, whether they voted leave or remain in the referendum, will want to know at least some of the details and that they are going to be carefully scrutinised. They will want their views to be represented in Parliament by their democratically elected Members of Parliament and for them to be given a vote or votes on that settlement. I believe many, perhaps most, of those people calling for a second referendum—I hope that includes my own constituents—would be satisfied with delegating scrutiny of the detail to their elected Member, and for us to be trusted to vote against or for invoking article 50, until we are satisfied that it is a good deal for the UK. Again, I am sure that those who voted leave would also want us to have that scrutiny.

Finally, I believe that my constituents want to know that I have been given the chance to defend workers’ rights, environmental protection and consumer regulations; to stand up for the EU citizens who have made Bristol their home; to ensure that the world-class university in my constituency has had the opportunity to renegotiate partnerships to carry out vital research; and to find ways for Airbus and other big and small local employers to manage their multi-European workforce and the rules and regulations of trade. They want to know that I will be able to represent them in a debate and in a vote. If the Government would be so kind as to agree that article 50 will not be triggered without the consent of Parliament first, a clear plan in place, and full and proper scrutiny of that negotiated plan, I believe that that would satisfy most of those who currently ask for a second referendum, including the people of Bristol West who I represent.

6.56 pm

Daniel Zeichner (Cambridge) (Lab): This has been a curious debate, hasn't it? It has been a bit like the referendum: there was an issue on the paper, but Members have largely talked about something else. Perhaps that is partly because of the slightly unfortunate scheduling of this debate at the same time as a major statement in the Chamber. Maybe some of the points that have been made would have been better raised in the main Chamber, but I chose to be here today because the numbers in constituencies like mine and those in similar cities are absolutely staggering, with 17,000 to 20,000 people signing the petition. That comes as no surprise to me, because of the strength of feeling that exists. I see the hon. Member for Peterborough (Mr Jackson) sitting opposite me; he and I are in the same county, but it is a divided county with very different views. In my city, Cambridge, there is passion about the European Union and a real and genuine sense of loss, worry and concern. That is why I am here.

One point I have taken from the debate so far is about the 52% and the 48%. In a way, the 48% knew what they were voting for—they did not necessarily know everything about the European Union, but it was the status quo. The problem is that the 52% were voting for a whole range of different things. That is the issue before us now: some Members here today clearly want a hard Brexit—to separate, get away as quickly as possible and go off to the promised land—but there is a whole spectrum of ways out. That is why the question whether there should be a further decision is so important.

For reasons of brevity, I will give just two examples. The issue of the EU citizens who live and work in my city is huge. The council leader told us at a very big rally in the city on Saturday that there are 9,000 EU citizens living and working around the area, and their status is
[Daniel Zeichner]

uncertain at the moment. We can argue about whether certainty should be given to them—I strongly feel that it should—but there is uncertainty at the moment, and it is likely that as time passes people will begin to drift away, which will have a negative impact on the city. If there is a deal that gives absolute certainty, that is different from a deal that is uncertain.

Let us look also at environmental issues, which are dear to many of my constituents. If we look at nature directives such as those on birds and on clean beaches, we see that we have much stronger legislation from Europe than from our own Parliament. If that legislation is incorporated into UK law, the situation will be different from if it is not. People would make different decisions depending on what happens with that.

Of course we cannot rerun 23 June; the world has moved on. Not only has Britain changed, but Europe has changed, and the situation will be very different in the months and years ahead. But surely that is the point of politics, and that is why there will be a further decision at some point in the future. Whether that is at a second referendum or a general election, I passionately believe that there will be a further decision.

There has been passion from the leave side in this debate, but there is also passion on the pro-European side, among those of us who believe passionately in the European Union, are proud of what it has achieved and want to remain part of it. I can assure those who have fought with such passion for 20 or 30 years to get us out that there are Opposition Members who will fight for just as long to keep us in.

Several hon. Members rose—

Sir David Amess (in the Chair): Order. I remind the three remaining speakers that they should leave 30 seconds for Mr Blackford to respond.

7 pm

Peter Grant (Glenrothes) (SNP): This is an interesting debate to attempt to sum up. I clearly do not have time to address all the interesting points that have been made. I apologise to Members whose constituencies I am not familiar with, and also if I miss out their “right honourable” titles. If I do not have time to get around all the points that have been made, Members can assume that if they said something that I agree with, their point was very well made, and if they said something that I disagree with, their arguments were fatally flawed and really should not be heard again.

I have a huge amount of sympathy with the intentions of the 4 million-plus people who signed the petition, but in my heart of hearts I cannot support the petition because of its wording. Nor can I support its general thrust, which is that we should have another referendum on EU membership. The most fundamental of my political beliefs is that the people are sovereign. The sovereignty of the people means that people have the right to be wrong and to take decisions that I personally disagree with. I have had quite a lot of practice at being gutted and devastated about referendum results and at having people who trust me to act on their behalf begging me to force a rerun because there must have been some mistake. I have had to say to them, “I’m sorry, it’s not the way I wanted it to happen.” In both cases, the result did not reflect the way people in Fife voted, but it reflected how the people as a whole voted. We have to respect that. As part of that, though, I will demand and insist that the people of my country have their wish respected as well. That is a red line as far as I am concerned.

We cannot ignore the frustration we are seeing. It is wrong to impugn the integrity, character and honesty of the 4 million people who have asked for a second referendum. I do not impugn the integrity or honesty of the 4 million people who voted UKIP—I suspect that there is not an awful lot of overlap between those two groups of 4 million. However passionately and fundamentally I might disagree with someone else’s view, I will always stand by their right to express it. One of the ills of the politics that we are now seeing come to fruition is that we are far too quick to criticise people’s integrity and question their motives just because they have views that differ strongly from our own. I welcome the contributions that have been made on both sides of the debate, even though I felt that some of them showed poor analysis and I could not possibly agree with them.

I shall pick up on one or two key points. A Labour Member made an interesting intervention early in the debate—I am sorry, but I cannot remember who it was and whether they are still present—suggesting that the demand for a second referendum is damaging to our democracy. No, the demand for a second referendum is a strong symptom of the fact that our democracy is already severely, if not fatally, damaged. A fundamental test of any democratic process should always be that the losers accept that the contest was fair. In this case, a substantial number of the losers do not believe that. If they are honest about it, a substantial number of the winners are probably also not happy about the way in which the contest was won.

Nevertheless, we cannot attempt to rerun the contest. Like other Members, there may be circumstances in which I would support another referendum to confirm our exit from the European Union, although I am not yet convinced about that. We have to stop and ask ourselves: how have weaknesses been allowed to develop for so long in this, the so-called mother of all Parliaments, such that a Government can embark on a course that leads to something that the vast majority of that Government, including the then Prime Minister himself, were convinced would be catastrophic for the nations they had been elected to serve and to lead? How can a Government who had the support of only 36% of those who bothered to turn out and vote lead four nations of 60 million-plus people down a path on which that same Government did not want to embark, when two of the four equal partner nations were determined not to embark on that path? We have been led into a position from which I can see no way for England and Wales to retain their membership of the European Union. If or when they change their minds and try to get back in, I wish them the best of luck, but I cannot see an acceptable way for them to retain membership.

It is unacceptable to suggest that Scotland and/or Northern Ireland just have to follow suit. What the hon. Member for North Antrim (Ian Paisley) said was interesting. I agree with him that we can never say, “Thank you very much for giving us your opinion, but damn you, we’re
going to ignore you,” but 57.8% of people in Northern Ireland said that they wanted to stay in the European Union. I am not prepared to say to those citizens of one of the nations of these islands, “Damn you, we’re going to ignore you and take you out of the EU, even if you don’t want to go.”

There has been a lot of discussion about the nature of the wildly untrue statements and promises that were made during the referendum campaign. It genuinely scares me that Members of Parliament—honourable Members of Parliament—can sit here in an open forum and say, “Yeah, but people tell lies in general elections and council elections. It is just part of the system.” It should never be part of the system. It is appalling that a Member of this Parliament was found by a court of law to have told a blatant lie, but the law does not provide for that person to be forced to seek re-election through a by-election. There is something fundamentally wrong if the political system not only tacitly but now explicitly accepts that telling lies is an accepted part of the political process. If this whole shambolic affair does nothing more than create a situation in which lies and polities and public life are no longer allowed to coexist, perhaps the cloud will have a bit of a silver lining.

As I mentioned, I have been through two referendums—I hope I do not lose the third, because I think if I lose three times I am out altogether—and the contrast between them could not have been more marked. Other Members have mentioned the Electoral Reform Society report, which highlighted many concerns. I shall give one example. On the Sunday after the Scottish independence referendum, I, along with a lot of campaigners on both sides of the debate, was invited by my local church to attend one of the services of reconciliation that took place the length and breadth of the country. Yes, no and don’t know campaigners and activists literally joined hands in prayer—or whatever was appropriate for those who do not have a particular faith.

The immediate response to the Brexit vote was a substantial and horrific increase in racial violence. If that does not tell us that the Brexit referendum has left a legacy that is far more toxic and poisonous than it needed to be, we are certainly not watching what is really happening in these islands. I commend the two Members who are no longer present for the initiative they took to try to heal the divisions. I do not think those divisions were caused by the referendum. The hon. Member for Brighton, Pavilion (Caroline Lucas) referred to the referendum having laid bare the divisions. The malaise in the political process has been brought to a focus by the referendum. That was always going to happen.

The referendum was provoked by the desire of the then Prime Minister to fend off a challenge from the extreme right—not only the extreme right in the Conservative party, but those who were too extreme for his party—rather than facing down the xenophobes who wanted to demonise immigration and hold immigrants responsible for all the ills in our society. It is sad and shameful that neither of the two major political parties went into the last election saying, “You know what? We are not going to be bullied by the keyboard tappers of the Daily Express and the Daily Mail. We are going to tell it like it is. We are going to say that we stand for immigration being a positive contribution to our nations. If you want to vote for a Government who say something different, you can have that Government, but we will not be part of it.” Neither of the two major parties was prepared to do that, because getting elected was more important to them than saying what they fundamentally believed in.

I cannot believe how the Labour party produced election material saying, “Vote Labour for strong immigration controls”. I was brought up in the Labour party. The second time in my life that I voted was when I voted for a Labour MP. Interestingly enough, the first time that I voted was in the 1979 devolution referendum, and when we were cheated out of that one it nearly put me off voting for life. I cannot believe how the party I was once pleased to support can have any truck with those who want to demonise immigrants and immigration and blame them for the ills of society. When Labour made that concession—when it started to try to appease the far right, just like the Government of the day—that put us on a headlong course at the end of which Brexit was perhaps inevitable, and the horrific racist and racialistic legacy that has been left in too many of our communities will take a long, long time to put right. I hope that it is put right in time for my friends in other parts of the United Kingdom to be welcomed back into the European Union, but I can tell people something for nothing—Scotland is a member of the European Union now, and I intend for us to stay that way.

7.10 pm

Barry Gardiner (Brent North) (Lab): It is always a great pleasure to serve under your chairmanship, Sir David.

For some, the referendum result represents a moment of golden opportunity; for others, it is a time of enormous economic risk. The petition we are debating today has been signed by an overwhelming number of people who believe that a second referendum should be put to the electorate. It has been signed both by people who voted to leave and by people who voted to remain. Curiously, the petition was created in advance of the referendum by somebody who supported the leave campaign and who is said to have believed that the result would be close but most likely in favour of remain. He was wrong.

With a majority of just over 1.25 million votes, 51.9% of votes cast called for us to leave, compared with 48.1% of votes to remain, on a turnout of 72% of the electorate. The referendum was certainly one of the most significant exercises in democracy that we have seen for a very long time, and it was for that reason that the Labour party tabled dozens of amendments to the European Union Referendum Bill to address the concerns that have now been raised in this petition, including provisions for electoral turnout and for a minimum threshold. Such amendments were rejected by Members of Parliament, alongside provisions that would have allowed 16 and 17-year-olds to have a say in what is probably the most important decision for their generation.

However, we must be clear that the British people decided in the referendum that our relationship with the EU, and its balance of rights and responsibilities, was wrong and needed to be addressed. Nevertheless, they did not, nor could they have been expected to, establish what the alternative might be. That is what the Government and Parliament must now determine.
What makes this process so complex is that we must seek to negotiate our exit from the EU and our future relationship with it while simultaneously forging our future bilateral trade partnerships with other countries—countries that would like to have clarity about where we stand with the EU before they conclude their own trade deals with us. Nothing could have made that clearer than the report released at the weekend by the Japanese Government, which expressed their proper concern about securing future access to Europe for Japanese companies that have invested billions of pounds in UK factories, jobs and distribution centres. That indicates the extraordinary risks that investment in the UK faces if we fail to maintain the free movement of goods and services into the world’s largest consumer market.

The Government must also address all the legislative gaps that will arise as a consequence of our secession from the European Union. The British people did not vote to see their workplaces made more dangerous or their maternity rights curtailed. The Government must ensure that where the basis of such rights and protections is lost because of legislation disappearing following a UK exit from the EU, new primary or secondary legislation is introduced to maintain the standards that British people have a right to expect.

EU nationals living in the UK and British nationals living elsewhere in the EU are desperate for clarity about where they stand. Do the Government plan to remove EU nationals from the UK? Should we prepare ourselves for the repatriation of some 1.1 million British citizens who are currently living elsewhere in the EU? Those are the non-duckable questions on which the Minister will provide such clarity in his summing-up today.

EU member states are our closest neighbours and strategic allies in matters of defence and co-operation, and the world is looking to us to set out how we will ensure that our departure from the EU does not cause instability throughout the region and—consequently—further afield.

The EU is currently the destination for 45% of all the goods and services that Britain exports and the source of 53% of all our imports. That is a stark measure of the level of trade integration that must now be renegotiated in the light of the referendum result. The Government must balance and recalibrate all the different elements that our membership of the EU has previously entailed. Essentially, however, there are three possible trading models: a free trade agreement, whereby member countries agree to abolish tariff barriers and quotas for goods and services between themselves; a customs union, in which member countries agree not only to reduce tariff barriers and quotas between themselves but to adopt common external tariffs towards other countries; and a single market, in which there is free movement of goods, services, capital and people, or labour. In a single market, there is also policy harmonisation over what constitutes such things as fair competition or reasonable health and safety regulations.

Although both sides of the referendum campaign lamentably failed to make it clear, in voting to leave the EU the British people voted to leave both the single market and the customs union. There is no smorgasbord of trade agreements laid out and waiting for the UK to choose from. The options that will be available to us will be determined just as much by what the other EU member states are prepared to give us as by what the UK wants.

Currently, there is no unified view among the other 27 EU members as to what they are willing to negotiate on. That situation is not going to be made easier by the forthcoming elections in France and Germany, both of which could have new leaders by this time next year. Timing is essential in all of this, and British MPs who say the Prime Minister should trigger article 50 now and without delay, without first setting out to Parliament the terms and basis upon which the Government seek to negotiate—indeed, without even indicating the red lines that the Prime Minister should seek to protect—simply have not grasped the logic of article 50. It is the logic of the game that young, testosterone-fuelled car drivers call “chicken”. The principle of that game is that while it is beneficial for each driver that the other driver gives way, their own optimal choice depends upon what their opponent is doing. If their opponent yields, the other driver should not yield, but if the opponent fails to yield, the other driver certainly should give way, to avoid a head-on crash.

What we know for certain is that no incumbent French or German leader can afford to be seen to be conciliatory towards the UK in negotiations before the elections in their own country. However, article 50 will not only trigger those negotiations but set a firm time limit—two years—within which they must be concluded. After that, in the absence of an agreed negotiated trade settlement, the UK would simply be ejected from the EU with no trade deal at all, unless every country in the EU separately agreed to an extension of negotiations, which could lead to the UK being held hostage to several unpalatable ransom demands.

Time is critical in negotiating trade deals; everything must come together, because the reality is that nothing is agreed until everything is agreed. Before article 50 is invoked, the Government must set out how they intend to ensure that the promises made to those who voted to leave the EU are met. The Government must decide whether it is vital to keep passporting arrangements for our financial services sector, and if that is a red line, they must decide what price they are prepared to pay for it. If that price is the continuation of the free movement of people, many people who voted to leave the EU in the referendum might well feel that the Government are simply ignoring their concerns over immigration.

Similarly, if a deal were concluded that allowed us to keep single market access and have no free movement of people, our financial contribution towards the EU might have to continue at an extraordinarily high level. A negotiating red line that achieved market access without free movement but at huge budgetary cost might not be acceptable to those who thought they were voting to stop paying £350 million a week to the EU so that they could spend it on the NHS instead. It might also not appeal to those who voted to leave because they wanted to reclaim the UK’s sovereignty. In return for its access to the single market, Norway is obliged to enact three quarters of all EU laws into its own domestic legislation. A UK operating under such an arrangement would in effect be a vassal state, paying tribute to the EU and
meekly enacting the laws passed down by Brussels, without the right to influence or shape them that member status confers.

None of those arguments are arguments for ignoring the expressed will of the British people, but they are very good reasons for saying that the Government must decide precisely what they want from any negotiation and what they are willing to pay or sacrifice to get it.

It is also vital that there is real democratic oversight. That means that Parliament must be extensively involved in the process and that once the Government are clear about what their own objective is, they should then present it to the country. Even though the petition is evidence that some wish to see a repeat of the referendum vote, the Government, as we know, have refused that. However, such a refusal should, at the very least, come through a parliamentary vote in the House of Commons.

Then, and only then, does it make sense to trigger the UK’s departure from the EU by formally invoking article 50.

Article 50 is a fuse; once it is lit it cannot be extinguished. If it is prepared for well, it may lead to an extraordinary firework display, as Britain illuminates the world stage with a renewed sense of commercial purpose, but if it is prepared for hastily and badly, the fuse will result in an explosion whose economic consequences will set back our country for a generation.

7.20 pm

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): I congratulate the Petitions Committee on arranging the debate and the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on sponsoring it.

It is a healthy development that petitions receiving widespread support should be debated in Westminster Hall. This one has achieved more support than most—we should recognise that—and I recognise the great interest in the subject around the country. We have heard today from many speakers whose constituencies had a high turnout and it is striking, as the hon. Member for North Antrim (Ian Paisley) pointed out, that we have not heard from anyone who has backed the petition’s motion. Antrim (Ian Paisley) pointed out, that we have not heard from anyone who has backed the petition’s motion.

Like many people who signed the petition, though by no means all of them, I campaigned for a different outcome, but I also spoke out repeatedly in the House, both before and during the passage of the legislation for the referendum, about trusting the people on this matter. On 24 June I might have preferred a different result, but I did not falter in my belief that it was right to give the British people their say. Both the hon. Member for Ealing Central and Acton (Dr Huq) and my hon. Friend the Member for Hazel Grove (William Wragg) spoke passionately about people going through the stages of grief. One of those stages is denial, but the one thing we cannot do is deny the outcome of the vote. To deny the outcome or the validity of the referendum is to deny the clear mandate of the British people—in this House, as hon. Friends have pointed out, we are their servants and not the other way around.

There will be no second referendum, no attempts to remain inside the EU, no attempts to re-join through the back door. Indeed, that would fly in the face of democracy and, I believe, entrench the sense of a disconnect between the country and this place that some argue contributed to the referendum result. We must now prepare for the process of exiting the EU, as we heard from the hon. Member for Brent North, and the Government are committed to ensuring the best possible outcome for the British people in the negotiations. I cannot cover all the detail of the preparations, but I refer hon. Members to the statement and responses given by the Secretary of State for Exiting the European Union, my right hon. Friend for Haltemprice and Howden (Mr Davis), earlier today. As he said, we should seek to deliver on what the country asked us to do through the referendum. We are encouraged by the national mood and by the fact that many who voted remain now want to make a success of the course Britain has chosen.

We will work hard to get the best possible deal for the whole of the UK. The Prime Minister and the Conservatives in Government will provide strong and proven leadership as the UK begins its negotiations to leave the EU and forge a new role for itself in the world. As the Secretary of State set out earlier during his detailed statement and more than two hours of questions, we will consult widely in the process, to make the most of the opportunities that our departure presents—getting out into the world and doing business right across the globe, while at home building a Britain that works for everyone.

Let me address precisely the premise of the petition. It called for the referendum to be rerun in the event that certain thresholds or super-majorities were not achieved.

As we have heard, the referendum was one of the biggest democratic exercises in British history. Turnout was high, at 72%, with more than 33 million people having their say. More than a million more people voted to leave than voted remain. The turnout was bigger than in any general election since 1992 and it was the second-highest popular vote of any form in our long and distinguished democratic history. No single party or Prime Minister has achieved more votes in our history than the vote to leave did in June. The hon. Member for Blackley and Broughton (Graham Stringer) spoke about the passion with which the referendum was fought, and the hon. Member for Bristol West (Thangam Debbonaire) spoke of people who were voting for the first time in years. I recognise both of those statements. This was a once-in-a-generation vote and the decision must be respected.

I did not falter in my belief that it was right to give the British people their say. Both the hon. Member for Ealing Central and Acton (Dr Huq) and my hon. Friend the Member for Hazel Grove (William Wragg) spoke passionately about people going through the stages of grief. One of those stages is denial, but the one thing we cannot do is deny the outcome of the vote. To deny the outcome or the validity of the referendum is to deny the clear mandate of the British people—in this House, as hon. Friends have pointed out, we are their servants and not the other way around.

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Let me address precisely the premise of the petition. It called for the referendum to be rerun in the event that certain thresholds or super-majorities were not achieved.
Some hon. Members have suggested and other motions have argued that it should be rerun on the basis of the quality of the debate. That is not the subject of the petition and hon. Members were right to observe that such a criticism could be made, subjectively, of almost any democratic contest in the history of the world.

The European Union Referendum Bill was introduced in May 2015, following years of long, hard debate. It delivered on a manifesto commitment of my party, which I have little doubt played an important part in our election success. It delivered on the promise given by the Government at the last election to give the British people their say on the UK’s membership in an in/out referendum by the end of 2017 and then to respect the outcome of their decision. As my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley) pointed out, the previous Prime Minister made it clear before the referendum that the Government would respect the result.

As I am sure hon. Members will recall, the Bill was fully scrutinised and debated in both Houses, with this House supporting the Bill on Third Reading by an overwhelming margin of six to one before it received Royal Assent in December 2015. Therefore, I cannot accept the argument that we ought now to have a second referendum. Nor can I accept that a threshold ought to have been set when no such provisions were put to a vote during the many debates in this House. As my hon. Friend the Member for Weston-super-Mare (John Penrose) pointed out—I am grateful to him for bringing his expertise and experience to the debate—those points were never brought up in the debate or put to a vote during that period. We, as parliamentarians, signed up to the Bill and we must now respect the outcome of the referendum.

It was the European Union Act 2015 itself that set out the terms for the EU referendum. It set the question that would appear on the ballot paper, the absence of a threshold and the franchise. It also provided a power to set the precise date of the referendum in regulations. Just as with the 1975 referendum on Europe and the 2014 referendum on Scottish independence, the Act did not set a threshold nor require a super-majority for any outcome. The hon. Member for Streatham (Mr Umunna) talked about the 1979 referendums and about how they did have such requirements, but he also pointed out that the Scottish National party and others opposed that approach and its call for a super-majority. I recognise also his point about bringing people together in the aftermath of the referendum. He is right to say that we should bring people together rather than concentrate on rerunning the referendum. He is also right that we need certainty, and much of the statement that was set out earlier today and the announcement from the Chancellor during the summer are there to provide that certainty. A second or third referendum—a neverendum, as some hon. Members have suggested—would not provide the certainty that our country needs.

I conclude by saying that turnout was high, our instructions from the British people are clear and we are moving ahead. The machinery of government is now working hard to get the best deal from Brexit. While respecting the views of the millions who signed the petition, we must also respect the millions more who voted on 23 June and the clear mandate that was given, not merely after a few weeks of campaigning but after a debate that exercised this House and our nation for decades. I look forward to many more debates in this Chamber and in the House about the nature of our exit and the future relations between the United Kingdom and Europe, but I must be clear on behalf of the Government that we will respect the outcome of the referendum, treat it as an instruction from the British people and carry out the mandate they have given us.

Ian Blackford: I thank all those who signed the petition that got us to this position today and I also thank all right hon. and hon. Members who have contributed to the debate.

I was struck by the comment the Minister made a couple of times about respecting the outcome of the referendum. The freedom to commit the United Kingdom Government to a debate was also mentioned. I do not think that many people would disagree with that—it is the fundamentals of our democracy—but I ask the Minister once again to recognise that different parts of the United Kingdom voted in different ways. We respect what has happened in England and Wales, but the Government have to listen, not just to the Members of the Scottish National party but to the Scottish Parliament, which voted so universally to empower the Scottish Government to protect Scotland’s position within the EU. The Government really must seek to do that.
Westminster Hall

Tuesday 6 September 2016

[Mr George Howarth in the Chair]

Local Government Reform

9.30 am

Alec Shelbrooke (Elmet and Rothwell) (Con): I beg to move,

That this House has considered local government reform.

It is a pleasure to serve under your chairmanship, Mr Howarth. This morning I hope to start a meaningful conversation about the future of local government and its reform. Over the past year, I have prepared a report into a bunch of radical ideas about where to take local government. Some people will agree with some aspects of my report, and others will totally disagree with other aspects, but I hope that from that process a certain consensus can be formed, and that the Minister will get some idea of direction from the debate. For the record, I state my thanks to Mr Joshua Harvey, who has done a lot of research for me while putting the report together. That has led us to where we are today.

I will give a brief history of local government, which I am sure many people understand, but I want to make a couple of points in context. The 1832 Reform Act gave the franchise to a lot of people, but it was 1835 that saw the first decentralisation of government with the creation of municipal corporations. Only in 1888 was there the creation of 66 county councils, which for the first time had increased powers—over financial and political administration, roads, bridges and council buildings. County boroughs were then created, so that areas with more than 50,000 people could self-administrate, and that was the first multi-tier approach to local government. What struck me was that at the time the telephone was in its infancy and there was certainly no computer power, so how things were administered relied on that—a 19th-century approach to slimming down authorities in order to cope with the municipal areas.

In 1894, the massive introduction of parish and district councils gave that direct link between the parishes and the county councils, because they covered both urban and rural areas. Mainly, they replaced the sanitary districts. So the two tiers really started to come in about 1894, although another result was the shrinking of several other bodies, which had grown up piecemeal in local communities.

The Local Government Act 1933 was an attempt to consolidate the mass of legislation from the 1800s through into the 1900s into a single Act. As we moved on, however, a lot of the consolidated powers started to be spread out again—perhaps to corporations or central Government, with social housing, education policy, the welfare state and the NHS.

The Local Government Act 1963 enacted a major restructuring in London—London City Council powers going to the Greater London Council and the boroughs. I will not dwell too much on that, because in my paper—as I intend in the debate today—I talk not about London, but about the rest of England. The situation in London is very different and is not something I want to bring in at this stage.

The Redcliffe-Maud report of 1969 recommended the introduction of unitary authorities—this is where things start to get interesting. In the 1970 manifesto the Conservative party stated that it would adopt the Redcliffe-Maud report but in the end, basically, it did not. The Conservative Government did not feel that unitary authorities would work because they might reduce the connection between communities and local government—I will argue that that is not working today and will propose a way in which a better link between communities and local government may be formed; instead, the Conservative Government brought in six metropolitan councils and 41 non-metropolitan councils, with 333 districts.

In 1985, the metropolitan counties were abolished, most becoming unitary authorities, because the existing system was deemed wasteful and to have an unnecessary tier, and that is something that keeps coming back in consideration of local government reform—that some tiers replicate work by other tiers. The 1992 Conservative manifesto wanted to implement single tiers for all non-metropolitan councils.

The Banham commission recommended the creation of 99 unitary authorities, but only 46 were created, given the need to get the legislation through the House. Again, as with all Governments that have attempted to reform local government, the ambition of the Government came up against a barrier, so they only achieved some of it. Likewise, in 2006 the Government advocated unitary authorities throughout local government, arguing that two tiers did not accurately reflect communities’ lines and that unitary authorities would improve accountability and leadership, but by 2009 only 10 had been created. Moreover, in 2010, under the coalition Government, some of those were reversed.

In 2011, obviously, significant powers were passed down to local authorities, and I argue that those should be increased. Police and crime commissioners have also been created, and now there are Mayors on top.

In the process of preparing my report, I looked at other systems around the world. Interestingly, where there are other tiers of local government in Europe and elsewhere, often they do not sit under each other, but next to each other.

Sweden has unitary authorities with four-year terms. Germany is interesting, with the Federal Government and regional government, which then splits down into counties and municipalities—they are divided and split down to reduce the power that any one area can hold. In some areas, however, a six-year term is served, which is an interesting approach. Belgium is really interesting because it has federal, regional and community governments, all of which sit at the same level; all have independent powers that do not cross over; and have well defined areas of responsibility. They sit for six-year terms. The USA has federal and state government, and then the counties—a lot of that is due to size.

The proposal in my paper involves first looking at whether we have proper accountability between councils and their people—are councillors accountable as representatives, and do the public have the ability to make a definite change? In that process, I looked at my
unitary authority in Leeds, which has three councillors per ward and the council elected in thirds. It is therefore hard for the public in any one election to say, “We want to change the council.” In fact, it is notable that the last time there was a huge change was during an all-out election in 2004. Gradual chipping away was then followed by the high-turnout elections in 2010, held at the same time as the general election, and the council changed colour again. Can the public get any change when they are only electing a third of the council? Consider which wards are safe, which are likely to change and which parties might split across, and the public probably cannot change the council.

Probably the most controversial area in my report is the proposed abolition of the two-tier system of district and borough councils. We should keep the town and parish councils because they are in the heart of the community and have the absolute, direct link to villages and towns. They can play an important role in discussing with county councils future planning policy, parks and countryside. With that I would still include the provision and maintenance of facilities, including arts and crafts, allotments, car and bicycle parking, cemeteries and crematoria, parks, village greens, playing fields, public rights of way, public toilets, signage, village halls, war memorials and so on.

Chris White (Warwick and Leamington) (Con): With one tier of local authority, is my hon. Friend suggesting that parish and town councillors be given more powers?

Alec Shelbrooke: An enhancement of contribution would be a better description than more powers. My constituency includes several parish councils and a town council—I would encourage two of my towns, Rothwell and Garforth, that they need a town council. Where the contribution is not taking place is between Leeds City Council and the areas that do not have a town or parish council, on the future direction of planning policy. It is not a question of passing more powers down, but of enhancing the ability of areas to take part in sensible negotiations and conversations, and reflecting that in council policies.

Simon Hoare (North Dorset) (Con): My hon. Friend is providing an interesting overview of local government. I served as a councillor for 12 years. On the point about parish and town councils, the direction of travel through reorganisation and changes of financing arrangements is clearly to give more responsibilities—to passport them down—to lower, possibly more accountable tiers. Does he agree that whereas district, county and borough councils now know that there is a capping regime, the areas that do not have a town or parish council, on the future direction of planning policy. It is not a question of passing more powers down, but of enhancing the ability of areas to take part in sensible negotiations and conversations, and reflecting that in council policies.

Alec Shelbrooke: The hon. Gentleman makes a reasonable point, and I have tried to tackle that issue in what I have put forward. One of the reasons why I thought that it was time to move to paying councillors a considerable salary that was a lot of people are currently excluded from council work because they have a career in another area and find it hard to be a councillor alongside that. The point issue is certainly evident in the make-up of some councils. I fully accept that the conundrum here is how we set a professional salary and allow people to come in from the outside world to contribute to council work, while allowing people to do that who may not necessarily be able to get the time off work. Whatever the law may state, there comes a point when people make that consideration for themselves.

Justin Tomlinson (North Swindon) (Con): It is great that we are exploring these issues. With greater devolution comes greater responsibility. We need to attract captains of industry, who are talented yet short of time. Rather than offering them £37,000 a year, we could perhaps have shorter meetings and ensure that meetings are in the evenings, so that they do not clash with daytime work.

Alec Shelbrooke: That is a sensible suggestion, and we need to assess it in considering how best to make local councils work. I am in no way suggesting that we are taking powers away from the council, and that is it. MPs do not do that. Many MPs have business interests outside the House, and that is to be encouraged, because it brings in a diverse range of people: those earning six or
seven-figure salaries; those with experience in all walks of life: perhaps those who have come up through the trade union route or just from a blue-collar background; white-collar workers; business owners, and so on. That brings diversity to Parliament, and that shows through in many debates. There is a conundrum, and this area can be debated more, but the solution that I have looked at is attacking that in one way by paying a rather large salary.

Mr Christopher Chope (Christchurch) (Con): My hon. Friend has mentioned the word diversity, yet he is trying to impose a new blueprint. Does he not think that one of the great strengths of local government in England is diversity? There is strength through diversity. Why does he not believe in allowing each council to decide the best structure for itself—whether it wants to meet in the evenings, what it wants to pay its councillors, and so on?

Alec Shelbrooke: My hon. Friend makes a point about how we can run local government, and he is right that councils have been able to make many of those decisions for themselves, but our Government have forced many extras on local councils as part of the devolution deals and so on. There has been multifarious tinkering, with people saying, “This is what must be done,” and I rather worry that the system is becoming over-complicated. That creates an issue: where does the responsibility actually lie? The aim of my proposal is to clean up the system, allow people to have real power and make real decisions, and at the same time allow the public to know exactly who is responsible for issues and make more casting verdicts.

When I did my research, I looked at some of the ways in which responsibilities operate throughout Europe, but my proposal fits the state governor and state senate model of the United States. Above the council—with one elected member per ward, a cabinet system, and a leader from the largest party—there would be a county Mayor, whose day-to-day job would be to deal specifically with all transport issues, from the running of buses and rail stations, and anything that might fit under Metro in West Yorkshire, to major infrastructure projects. As prescribed, the county Mayors would regularly meet the Secretary of State, and one of their roles would be to work on linking up national infrastructure projects among counties to ensure that we really moved forward with those projects.

I would have multiples of salaries for different roles. There is one thing that I looked at but then thought, “I’m not sure this can work.” I was looking at checks and balances. I thought, “Should the opposition parties chair the scrutiny committees?” I thought, “That’s not a bad idea—but hang on a minute: there are plenty of councils around the country where there simply aren’t enough opposition councillors to chair enough of the scrutiny committees.” As I thought through some of these things, I came to the conclusion, “That might sound okay, but it’s not going to work.” That is one area that needs to be looked at.

Alison Thewliss (Glasgow Central) (SNP): In his consideration of there not being enough opposition parties in councils in many parts of the country, has the hon. Gentleman given any thought to introducing an electoral system such as single transferable vote, which would bring in a diversity of candidates and parties?

Alec Shelbrooke: I thank the hon. Lady for her comments. I did look at that, and I concluded that I am trying to achieve direct accountability between elected officials and the public, and the public must have a clear and simple view when deciding whether to change things.

I have two examples. The first is the Mayor of London. Let us be honest: when the Mayor of London was established, it was generally thought that it would be almost impossible for there to be anything other than a Labour Mayor. However, for various reasons—I do not want to go into that debate now—the mayorality changed colour, and it has changed colour again. The second example is the 1997 general election, when there was a clear mood among the public that they wanted to change the Government. They knew what they had to do, and they went to the ballot box and voted in their millions in specific constituencies to kick out 18 years of Tory Government. The Tory party went from a majority Government to 165 seats, losing seats that it never thought possible to lose. The public knew, “It’s first past the post, so we can go in there and change things.”

That is why I have always shied away from changing first past the post, because it gives ultimate power to the public, who can say, “I haven’t got to think about alternative votes; I haven’t got to think tactically. I’m just going to go in and vote for Tony Blair and that’s it. I’m not interested in any other party.” That is what happened in 1997, when we had that massive, seismic change in British politics, and what happened from that period still reverberates today. I appreciate the long-held policy of the hon. Lady’s party and where she is coming from. I hope she recognises that I am trying not just to pass down bigger powers and make one person responsible, but to say to the public, “It will be really easy for you to change who is governing you at a local level if you want that.”

Mr Chope: Surely that is an argument strongly in favour of having all-out elections every four years. That gives the people in a locality the opportunity to kick out their council if it has not been doing the right job.

Alec Shelbrooke: I could not agree more with my hon. Friend. Part of my proposal is for a five-year term, and I would have that as a mid-term between general elections. That is for two reasons. First: all out. In the space of five years, the public would go to the ballot box twice—for a general election and for all local elections—and they would be able to change a council wholesale if they wanted. One of the weaknesses in my council is that we elect by thirds. Mathematically we really cannot make a real change when electing by thirds, yet when we have had all-out elections councils have changed colours. I therefore entirely agree with his point, which is a key plank.

Graham Stringer (Blackley and Broughton) (Lab): I have listened carefully to the hon. Gentleman’s thoughtful speech. The basis of representation is taxation, and what has bedevilled local government since it was set up is the nature of the rates changing to poll tax and then
council tax and the relationship of that with business rates. One of the reasons for electing by thirds is that when the rates, poll tax or council tax are put up, people have an immediate ability to make a judgment on that taxation. I would be interested in the hon. Gentleman’s thoughts on the future of taxation in local democracy.

Alec Shelbrooke: I thank the hon. Gentleman for his intervention. Perhaps controversially—this is a policy put forward in the past not by my party but by the Liberal Democrats—as much as possible I would move money-raising powers down to the local authorities. Certainly we are seeing the passing down of business rates and although I do not know the exact proportions, so I would not like to put on the record what the change is, more and more of the local government settlement is coming from within local government rather than from central Government grant.

That opens up a much wider debate than time will allow—I know several people want to speak—but the point of the debate I am making is that significant powers would be passed down to councillors with the increased salary and accountability. For example, I would give the chair of the clinical commissioning group—one CCG for the county—a cabinet position in the local authority. I was commenting earlier that Nicola Sturgeon was a very well known MSP across the UK before she was leader because she was in charge of healthcare. She made a real name for herself there. People knew exactly who was responsible for what happened, and that could work in local councils. A lot of healthcare could be passed down to the local authority, and it could have people there.

I thought about putting police and crime commissioners in the cabinet, but I did not do so. As I have said on the record several times, I favour merging West and South Yorkshire police—the hon. Member for Sheffield South East (Mr Betts) totally disagrees with me on that—so I would keep PCCs separate from the county councils because otherwise we would remove that option. That is one area that I would not bring into the county council set-up.

Mr Betts: I thank the hon. Gentleman for giving way once again and I apologise to him and to you, Mr Howarth, because I probably cannot stay to the end of the debate as I have an appointment at 11 o’clock. I very much agree with his comments about moving tax-raising powers down and about bringing health and social care together. However, he proposes that a model be forced on authorities. Combined authorities work because counties come together to pool their powers. The met councils come not work because they were an imposition from the top, which districts really resented, and that created a lot of conflict. I wonder whether he has thought through that concern.

Alec Shelbrooke: The hon. Gentleman is absolutely right. This is a controversial proposal and I am effectively saying, “I’m going to tear up everything that exists and the Government will enforce a new pattern, which I believe is better.” That is a totally controversial policy and many people may disagree with it. However, to promote working together I propose a new model under which, instead of just having the leader of the council, there would be a county Mayor—a separate, elected person who would work together strategically with the other authorities and feed that in as a joint partnership.

I do not shy away from the fact that I am putting forward some really radical ideas and radical reform, and that there will be people who strongly disagree with them. I welcome that, because I genuinely want to start a conversation about how to move forward. I do not expect that a great many of my ideas will ever be adopted, but I think there are aspects that a lot of people can agree on, and local authorities around the country, who I am sure are listening today, may look at those aspects and think, “Actually, I don’t agree with imposition from Government on these issues, but perhaps there is an argument for having just one all-out election.”

To take the City of Leeds, it costs £1 million to run an election. If we had one all-out election, we would save £2 million—half a million pounds a year—which in tight local government budgets is a considerable sum of money.

Several hon. Members rose—

Alec Shelbrooke: I want to crack on, so if people will forgive me I will not take any more interventions. The Mayor would not just deal with transport issues but have the ability to declare a state of emergency. To take the example of West Yorkshire and the tragic flooding we had last boxing day, that flooding occurred across five authorities, all of which command areas of the services differently. The Mayor would be able to take control of a command post for emergency services and fundamentally, having declared a state of emergency, that could be funded through central Government. That is an important aspect to ensure that the best job can be done.

I have a couple of points to raise on costs. Funnily enough, moving to single members for each ward representing 15,000 people and paying them almost £38,000 in salary would save £30 million a year. That is a basic calculation on back-bench salaries and we would need to look at allowances paid on top, but that does show that it is possible to reward councillors more and more. I would like to give a lot more powers to local councils. I would like to give them direct accountability from an all-out election, with one member per ward, and direct, named responsibilities on areas that really affect people’s lives. I honestly think that would improve turnout at local elections.

The time has come, effectively at the start of the 21st century, to look at how we take what happened in the 19th and 20th centuries to make a system that can last for the next 100 to 150 years and give real accountability and a direct approach to the electors. I will be very interested to hear people’s contributions. Fundamentally, this is a debate for the Minister. I would like him to hear what I have said and what other people say, and see if there are aspects that can be taken forward.

9.59 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Elmet and Rothwell (Alec Shelbrooke) on setting the scene. I have spoken to the Minister, and I want to give a perspective that may be helpful in the
In the few years since I left there have been massive changes in local government in Northern Ireland, and I believe that there are lessons of merit there for the reform proposed for England and Wales, which the hon. Member for Elmet and Rothwell has set out today. On 22 November 2005 Peter Hain, the then Secretary of State for Northern Ireland, announced proposals to reduce the number of councils in Northern Ireland from 26 to seven. As I discussed with the Minister before the debate, change is by its very nature unpalatable to some, but carried out correctly it can be constructive in finding a better way forward. That was what we found when we made the changes in Northern Ireland.

The super-councils, as they were named, were to have a number of new powers in such areas as planning, local roads, regeneration—the preparation of my council area’s regeneration plans has concluded, and they are awaiting endorsement and a way forward—and the fostering of community relations. Those things are to be transferred from the existing joint boards and other bodies, which are much closer in size to the proposed local authorities. The changes were made with a purpose. A lot of thinking and ideas went into them. Legislation was to be introduced to prevent serving councillors from also being Members of the Northern Ireland Assembly. I stepped down, as indeed did my parliamentary colleagues. I found it very hard to say farewell to my job in the Assembly. I stepped down, as indeed did my parliamentary colleagues. I found it very hard to say farewell to my job as a councillor, which I enjoyed, and to the Assembly. Of all the jobs I have ever done, I enjoyed that of a councillor, because the council dealt with bread-and-butter issues, which kept us in touch with our local people.

The Local Government (Boundaries) (Northern Ireland) Order 2006 was made on 9 May 2006 and provided for the appointment of a local government boundaries commissioner to recommend the boundaries and names of the seven districts, and to divide the districts into wards. An eight-week public consultation on the proposals, during which members of the public could make written submissions, ended on 5 January 2007. Public hearings conducted by assistant commissioners were held in January and February 2007.

To be fair, the old councils really just lifted the rubbish and buried the dead. The changes that came in gave the new councils extra powers, and with that came the necessity for knowledge and time to make things happen. The hearings were essential to ensure that the end result would be workable. It was found that the reduction from 26 councils to seven would mean a loss of local feelings of identity and co-operation; it was therefore announced that there would be 11 councils. That was the balance of the agreement. I love the Ards council area, and those who represented North Down love that area. Sometimes debates on small things such as names are important for us all. The end result was the name Ards and North Down Borough Council. After much deliberation by the councillors, we found a way. It was almost a shotgun wedding; maybe there was not a lot of love at the beginning, but certainly that relationship came together. Even now, two years into the process, the local councils are starting to gel and work together. It is about time and change and state of mind. That is the first lesson that needs to be learned in local government reform from the review of public administration. It is essential that there is consultation, as the hon. Member for Elmet and Rothwell mentioned. I urge the Minister to ensure that there will not simply be a check-box exercise, but consultation is seen as an integral part of the process.

The legal framework for the creation of the 11 new councils was put in place by the Local Government (Boundaries) Act (Northern Ireland) 2008, passed by the Northern Ireland Assembly. In England and Wales there are nearly 500 fewer councillors than there were in 2010, according to Local Government Chronicle analysis of data shared exclusively by the Local Government Boundary Commission for England. The 111 boundary reviews completed in the past six years have resulted in the number of members being cut at 69 councils, and a net fall of 491 councillors. There will be more to come if the changes happen at the same level as in Northern Ireland, where what the media called a golden handshake was offered to long-serving councillors with more than 12 years’ service. Those were up to an amount of £35,000, amounting to £1.8 million.

There may also be something to be learned there. It is good to have fresh blood in a council, but experience should not be overlooked and forgotten. Having spoken with experienced or older councillors in the new council, I think it is clear that experience is often what is needed. I urge the Minister not to throw out the greying-haired babies with the bathwater. Their experience is crucial and critical alongside the new developments and the new way forward, and we sometimes need those with experience to continue to be involved. There must always be an adequate number of councillors for each aspect of council work, and there must be accountability to the public. My fear is that in allowing a reduction in some areas, we may find ourselves with a healthier short-term bank balance and a not-so-healthy council chamber. I know that the Minister and the shadow Minister will talk about that.

I could continue to draw comparisons between the Northern Ireland perspective and the plans for England and Wales, but time does not allow me to do so at any length, so I have made just a few comments. However, I want to underline the fact that a council is not a business; it is a service provider. The hon. Member for Elmet and Rothwell and other hon. Members are right to say that there must be a wage that encourages people to be councillors. In Northern Ireland the wage for a councillor is a minimum wage, which is more than there was before, but along with that comes a mileage allowance for going to meetings. Meetings are held with the agreement of councillors, whether during the day or at night. Most are probably at night, because most of the councillors on the Ards and North Down Borough Council have other jobs to keep, and they have to fit meetings into their employment. That issue cannot be ignored.

A council is legally obliged to provide a service for the constituents it serves. Financial responsibility is one of the greatest issues that a council faces—how do we keep costs down while preserving the quality of service? Any reform must be based on that question, and any successful reform will involve consultation and adaptability.
to change. A councillor’s responsibilities may go far beyond their remuneration, which is something that should be dealt with. As a former long-serving councillor I am often bemused by the way our new council runs things, and I wonder why changes have to happen in the way they do. However, as a ratepayer living in the Ards and North Down Borough Council area, my interest is to ensure that my rate bill, and that of my constituents, is acceptable, and that the quality of the service is of an appropriate standard. That is all that people throughout England and Wales want as well. I urge the Minister to take the time to hear about and take on board the changes that we have made in Northern Ireland and the sensible proposals made here and in other forums. The changes involved much deliberation, thought and discussion, and I think they can help in the debate that the hon. Member for Elmet and Rothwell has initiated. They can help us ensure that the people get what they want and, more importantly, what they need from their local government body.

I apologise, Mr Howarth, to you, the Minister and the shadow Minister, that I must leave at a quarter to 11, because I have a meeting of the Select Committee on Defence.

Several hon. Members rose—

Mr George Howarth (in the Chair): Order. Three more Members have indicated a wish to speak, and I propose to call the Front-Bench speakers at 10.30 am. I do not propose to impose a time limit on speeches, but I ask hon. Members to be mindful of the fact that if all three of them are to get in they will need to be relatively brief.

10.8 am

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship, Mr Howarth. I apologise for not having turned my mobile phone to silent earlier in the debate. It was actually the leader of the council on the phone, who was no doubt going to tell me. “Don’t say that, under any circumstances.”

I congratulate my hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) on initiating the debate. I was going to say that it is timely, but it is one of those subjects that we debate about every six months, coming to similar conclusions and perhaps not advancing as much as we would like. We ought to congratulate the Minister, and both the present Government and the coalition that preceded them, on advancing the localism and decentralisation that those of us who have served on councils have encouraged. In my 26 years as a councillor, whatever Government were in power, there was more and more centralisation, and we rallied against it to no effect. We have now got a reversal of that, and we should congratulate the Secretary of State and his predecessor for the work they have done on that.

If the Government believe, as they clearly do, in the process of devolution—and to some extent in elected mayors, though they do wobble on that occasionally—they have to grasp the nettle and move forward. I have some sympathy with what my hon. Friend the Member for Elmet and Rothwell said when he spoke about having a county mayor. The problem, of course, is that counties such as Yorkshire and my own county of Lincolnshire are somewhat large. Lincolnshire is 75 miles from north to south, and the connection between, say, Gainsborough in the north and Spalding in the south is somewhat tenuous, both in their local economy and in the fact that, in all honesty, people in Gainsborough rarely, if ever, go to Spalding, and vice versa, nice though those towns are.

My preference is for unitary authorities across the board. Personally, I would have them headed by elected mayors. We should not be frightened of the elected mayor process, as other Members have said. It is a form of direct election in which, as with the referendum and so on, the voters give a clear answer; it is black and white. I think that is to be encouraged. I know people will draw comparisons with the police commissioners and say that we should look at the terrible turnouts, and that nobody really knows who the commissioners are and so on, but it is early days yet. I genuinely think that the police commissioners have a role to play, though I would not be opposed to transferring their powers to an elected mayor.

There are problems with that, of course. My own county of Lincolnshire is actually served by two police forces. Unfortunately, those of us in the north of the county still have the relics of the County Humberside scheme—we have Humberside fire and Humberside police and so on, but that could be corrected relatively easily. I think we should move forward on that. We are moving forward in the sense that we have the Greater Lincolnshire devolution deal, which the local authorities have signed up to, although there are reservations about the role of an elected mayor. As I said, I am personally very much in favour of an elected mayor, and I hope the Government do not wobble on that. One or two of the authorities are wobbling, mainly because the consultation came out with more or less a 50:50 decision.

The reality, of course, is that such consultations are pretty meaningless. How many real voters actually took part in the consultations? Yes, there was the chamber of commerce and the institute of this, that and the other, but the reality is that they do not engage the average voter. Why should they? The man and woman in the street want the bins emptying, the streetlights going on and the potholes filling. They want an efficient local authority. The structure of the authorities is completely irrelevant to them, though of course they want to be able to influence the outcome, particularly in relation to the setting of council tax.

The hon. Member for Blackley and Broughton (Graham Stringer) made a point about having more regular elections. Personally, I have always been in favour of election by thirds. I recognise that does mean that there cannot be a clean sweep and people cannot make a sudden change, but in the past one of my arguments has always been that, a couple of months after an election, people are immediately looking to the next...
election, and long-term strategic decisions that may be controversial at the start but have a long-term effect do not get taken?

**Martin Vickers:** That is certainly true, but the opposite of that is that local authorities are constantly looking over their shoulders at the electorate—and so they should. That is the whole point of accountability. The one thing that perhaps weakens the argument about the importance of keeping local parties involved is that we now have more elections, because we have police commissioners, and under my system we would also have elected mayors, so there is a constant move toward elections. Personally, I think we should give local authorities the option of having elections not by thirds but by halves every year or two years. That might be a sensible way forward.

Mindful of your comments of wanting to get other speakers in, Mr Howarth, I will not dwell on the matter too much further. I like the idea that my hon. Friend the Member for Elmet and Rothwell put forward of having the chairman or chief executive of a clinical commissioning group as some part of the structure. I also draw attention to the role of local enterprise partnerships. Yes, they have grown and are playing an important part, but they suffer from a lack of accountability. If we had cross-border unitary authorities, it would be useful to transfer some if not all powers from the LEP to the unitary authority.

10.15 am

**Mr Andrew Turner (Isle of Wight) (Con):** It is an honour to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) on securing the debate and on his paper.

I believe we need reform, and I welcome this debate, but there are a couple of proposals with which I disagree. First, I do not believe that the role of councillor should be a full-time position with a full-time wage. On the Isle of Wight there is an all-purpose council. There are currently 40 seats, and the council is led by an independent group with a small majority. The basic allowance for a councillor on the Isle of Wight is £7,700 a year. Last year, the average received by 39 councillors—not the leader—was £10,800. Under my hon. Friend’s proposal a council leader would earn £74,000 and the basic salary would be £37,000. I fear that would create a purely economic incentive to stand for the council, and in my view we should not lose the long tradition of the incentive to become a councillor being someone’s dedication to the community they serve.

Secondly, I disagree that one councillor should represent 15,000 residents. That reform would bring down the number of councillors on the island from 40 to seven. One person would represent the entire western area of the island and a ward in the south. For those unfamiliar with our geography, that is a physically large area for one councillor to cover. Having one councillor who represents 15,000 people might be appropriate for an urban situation, but I do not believe it would work well in rural areas. The benefit of having smaller wards is that constituents feel closer to their representative. Many know him or her personally, so their councillor is better positioned to represent them. That is especially important for under-represented groups. An example of that is a ward that is generally one of two represented by the Labour party. I believe that reducing the number of councillors and paying higher wages would disconnect councillors from constituents, and I fear that the effect of my hon. Friend’s proposal would be to turn well-known, devoted, grassroots politicians into more remote and distant figures.

Thirdly, in difficult economic times some proposals that would never be considered in other circumstances might seem tempting, but when looking at reform we must look beyond the short term and find sensible plans that will work long into the future. We are, in fact, already facing local government reforms through the devolution agenda. The Isle of Wight Council—a small local authority with unique challenges—is in a very difficult financial position. Unsurprisingly, a proposal for a mayoral combined authority, with promises of more funding, has tempted the ruling group on the Isle of Wight, but the council leader has told me that he feels we are being pushed into the Solent deal by the Government.

The Isle of Wight now faces the possibility of being combined with Southampton and Portsmouth in a Solent authority. The line being peddled is that the Solent authority would join the councils together, when in fact it would separate them. The situation and needs of the two cities and the island are disparate. The suggestion is that spending plans for the new authority would require unanimity, but what would happen if they could not reach unanimity? I fear that the views of the island council would be overruled and the island would lose out.

**Mr Chope:** Surely the Government have assured us that if individual councils do not go along with a consensus, they effectively have a veto. Indeed, hon. Members of Parliament do as well.

**Mr Turner:** Well, so they say, but the council has been advised that if unanimity fails, two out of three will do. That is what I am told on the Isle of Wight.

I would welcome clarification from the Minister on stories that have been circulated over the summer about the change in Government thinking on directly elected mayors, which may make other, more suitable options possible. I also ask for a commitment to sit down with the Isle of Wight Council to look at how the underlying problems might be resolved until a fairer funding formula is in place, together with an assurance that it will not be pushed hell for leather into a structure that will not suit the long-term interests of the Isle of Wight.

Many cities that decided they did not want a Mayor in 2012 now face one being imposed. There is no single clear-cut answer to what form local government should take, but I am sure of one thing: we should not rationalise by making local government bigger, but we should deliver what the people want.

10.21 am

**Chris White (Warwick and Leamington) (Con):** May I start by congratulating my hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) on securing this important debate? I applaud him for the serious work he has done on this issue.

In my brief remarks, I would like to take this opportunity to reiterate my call for Warwickshire County Council to become a unitary authority. I know that the Minister is
quite familiar with Warwickshire. I have taken the opportunity to write to all the county councillors, district councillors and town and parish councillors who are elected representatives in my constituency. I have not stepped over to other constituencies, but I wanted to test the view of local representatives in Warwick and Leamington. To my great delight, the response I received was very favourable indeed, which I think is based on two factors.

The first is the financial factor. Early estimates are that something in the region of £17 million a year could be saved if there was a unitary authority. By unitary, I mean not abolishing the districts, the boroughs or the county, but merging the two tiers, because £17 million is money that we well need. At the moment we have something in the region of 240 councillors across Warwickshire. That could be reduced to 100. We have a number of chief executives across the county and a number of assets for both our districts and our county. Those could be reduced, and the money could be either saved or used elsewhere.

My hon. Friend the Member for Cleethorpes (Martin Vickers) spoke very well about the practical considerations, such as the efficiencies, the doubling up of work, the number of CCGs we have, the different procurement officers and the different commissioning officers. My view is that when my highly educated and engaged population think of their local representation, they think they have one council already. That should continue. To have a single point of contact could be nothing but favourable to our local residents’ ears. It would make it much easier for people to relate to their local representatives when wondering who to speak to about housing or if they want double yellow lines.

My concern is when I see on the front page of my local paper, The Courier, the headline, “Grave concern over potential cuts to disabled services in county” and read underneath in the article that “difficult decisions” need to be made. I appreciate that difficult decisions need to be made, but perhaps the most straightforward decision of all would be for our counties and districts to work together to pursue the unitary agenda, not least because in Warwickshire we have local elections coming towards us in 2017. I hope that across the different authorities, a great deal more work will be put into fleshing out the proposals. I am sure they will be looking eagerly at the paper written by my hon. Friend the Member for Emet and Rothwell.

I want to ask the Minister the following questions. Does he agree with the proposals to create efficiencies and savings? Does he agree that it is better to first cut the cost of politics, rather than cut what I consider to be vital services? Thirdly, and perhaps slightly bravely, will he follow my lead in Warwick and Leamington and discuss with his councillors, as a constituency MP, the value, savings and next steps forward for his local representatives in Nuneaton?

10.27 am

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I have found the debate very interesting, and I am glad that the hon. Member for Emet and Rothwell (Alec Shelbrooke) secured it. I commend him for producing this report, because it makes a useful contribution. He made an interesting presentation about the background of local government in England, which I find particularly fascinating because it is so complex. In Scotland, we have 32 unitary local authorities, which is pretty simple. It is not perfect by any manner of means, and there is a lot of diversity. We have huge city councils such as Glasgow, with a population of 600,000, and very small councils such as Clackmannanshire, with a population of around 50,000. Glasgow has 79 councillors and Clackmannanshire has 18. There is a great deal of diversity.

When considering local government, we cannot make one size fit all, because we have to be aware of the local circumstances and what local communities need. The hon. Member for Isle of Wight (Mr Turner) made that point very well when he talked about having one council ward per 15,000 residents and the impact that would have in his area. We need to be very careful as to how that works. The most stark example in Scotland is the Western Isles, which has a total population of around 25,000—the size of some council wards in Glasgow. They have looked at those circumstances and said, ‘Well, that would be impractical for the Western Isles and needs to be looked at more carefully.’

Alec Shelbrooke: For clarity, my paper focuses on England. I take the point that the hon. Lady makes, but my paper is about England.

Alison Thewliss: I do not want to misrepresent this at all. When looking at different island communities or very rural communities, we need to consider exactly how we set the limits, and there needs to be flexibility around that and the size of council wards.

As I alluded to in the intervention I made earlier, in Scotland we have the single transferrable vote and multi-member wards of three or four councillors. That has opened up democracy in Scotland hugely, and it ought to be considered when looking at a review. I would welcome the Minister’s thoughts as to whether he wants to do that. The Electoral Reform Society has done a great deal of work on this and has said that moving to a system such as STV would start to challenge rotten boroughs, where we have one-party states in many parts of the country and very little scrutiny. As the hon. Member for Emet and Rothwell mentioned, there are not enough councillors to chair scrutiny committees because there is not enough opposition, but we need that diversity of voices in local councils. That will make them truly representative of the communities they serve.

After STV was brought in in Scotland in 2007, the Electoral Reform Society did some work on that. It spoke to all the different local authorities in Scotland and said, “What has been the change here?” There was a telling quote from Glasgow City Council, which said, “It felt like we got our council back.” That was from one of the council officers. Previously, decisions would be taken by councillors behind the scenes and there was never that public debate or public scrutiny. That change has been extremely healthy for councils in Scotland.

STV does not mean that there has not been change in local authorities. We can come to an election and still see change under STV. There were changes in 2007 and 2012. We hope in Glasgow that there will be changes in
It has been a Labour council for many years, but under STV we have chipped away at that. That has been quite good for the Scottish National party, too, because we have not taken over the council dramatically, suddenly, with very little experience, but have been able to build up experience over the past two council terms. We hope to be in a position next year to take the council in Glasgow. That has been about engaging with the public, building up trust and letting people get to know their local representatives. We have had to work very hard in Glasgow. I was a Glasgow city councillor for eight years before coming here. That has actually been quite good and quite interesting.

STV has also given local communities a choice of councillors. In a one-member ward, even if people think that their local councillor is lousy, they are stuck with that councillor; there is nothing they can do. A three or four-member ward gives people options and means that they can go to different councillors. If people have a local campaign, they can get their three or four local councillors behind it. It can be a very powerful thing in a council to allow for lobbying—it allows communities to have their voice. Three or four councillors working together, as happens in many council wards, on a cross-party basis can be very powerful and useful in those communities.

I agree with some of the things that the hon. Member for Strangford (Jim Shannon) said. He mentioned that he was a councillor for 26 years and he referred to councils lifting the rubbish and burying the dead. I think that we also need to have a debate about the diversity of services that councils now provide. Councils provide a huge range of services, which people do not always see. As long as their rubbish gets lifted on the right day, they do not really care about the rest of it. In the Select Committee on Communities and Local Government, whose Chair, the hon. Member for Sheffield South East (Mr Betts), is present, we are currently conducting an inquiry into public parks and the impact of austerity on park services. Those services are very valued, but we do not really talk about them when we talk about local government. We need to think about the huge diversity in local government and the services that it provides.

I want to say a little about salaries and the impact that there might be in that respect. It is fair that local councillors are paid a wage. In Scotland, when we moved to STV, we moved from an allowance-based system to basic annual pay, which currently stands at £16,893. That is not a huge salary, and some people in councils in Scotland do still work. Depending on what the council looks like, it may meet in the evening; it may meet during the day. Glasgow and, I think, Edinburgh—the bigger councils—generally meet during the day. We have to think about the kind of people that we want to come into our council and the impact that the wages have on them. If someone is a parent or carer and would have difficulty in coming to meetings in the evenings, they will not stand for council. If they look at the council and see all those meetings in the evening, they will say, “I need to be at home; I have responsibilities at home to attend to,” and will not stand for council.

The phrase “captains of industry” was mentioned. At the moment, captains of industry are largely male. Councils in this country are hugely male. We need to think about exactly how we bring women in and encourage women into councils. That may have to do with wages, but it also has to do with how councils run their business and the practices that they have. That is also an important debate.

There was a lot of talk by various hon. Members about the different complexities of local government and the understanding of local government. The hon. Member for Warwick and Leamington (Chris White) mentioned the need for simplification and efficiencies. Looking at the local government structures in England, I, as a Scottish MP, would not want to impose these structures on anyone, either. There needs to be a sensible look in the round at local government in England. Which responsibilities are held where? Are they in the right place? I am not certain that bringing in things such as mayors on top of already complex structures will help that. If people want to know who is responsible for this service or that service and they do not know who to go to, that will be very disempowering for those individuals.

This morning’s debate perhaps has not concentrated enough on what people want to see from their local authorities. Things absolutely must be done in consultation with local people. The hon. Member for Cleethorpes (Martin Vickers) questioned how many people would want to talk about the structure of local government—but it is actually quite important. People need to know who their local councillor is. They need to have a person they can go to and they need to know what they do and why they do it. That is vital. Keeping a local link is also important, as the hon. Member for Strangford mentioned. He talked about the importance of local identity. Some of that is getting a bit lost in local authorities in England. I hear again and again in debates in the main Chamber and here that the local authority does not really fit with what people understand to be their local area. Perhaps it would be useful to start with that issue.

There was some debate about the cost of politics generally. I will just reiterate the point that is often made in these debates: politics and democracy do not come cheap. We need to think about that, whatever the structures are.

10.36 am

Teresa Pearce (Erith and Thamesmead) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I am standing in for my hon. Friend the Member for Easington (Grahame M. Morris), who is very disappointed that he cannot be here today. I thank the hon. Member for Elmet and Rothwell (Alec Shelbrooke) for initiating this important debate and for his thought-provoking report—I would expect nothing less than thought provocation from the hon. Gentleman.

With the recent unprecedented cuts to local authority funding, reform and the new wave of devolution, the future of local government is a matter that we now need to look at, and all hon. Members and their constituents share an interest in it. I would welcome any changes to local government that bring about a greater accountability and connection between local people and those who are elected to represent them. The decisions made on their behalf affect them every day—they affect their town, their village, their street—and quite often local people do not know how those decisions are made or who is
making them. Often they will ring our offices, thinking that it was us, when in fact it was not us at all. We need to make that connection.

This has been a measured and very well informed conversation. It is interesting that we have heard contributions from many different constituencies, such as Strangford, Cleethorpes, the Isle of Wight, North Warwickshire and Glasgow. That shows that one size does not fit all and that decisions should be made locally, because across our country communities are very different.

The hon. Member for Elmet and Rothwell spoke about his report, in which he made a number of recommendations. He said that many of them are radical, and they are, but a radical shake-up is needed. We needed to start this conversation, and I am very glad that we are doing so. Any report on the future of local government is welcome, but there are many questions, and I hope that the Minister will be able to share his thoughts on some of the concerns that have been raised and some of my concerns.

On council structures, the report makes a recommendation that a uniform system of unitary councils be introduced. I would be interested to know the Minister’s estimate of the sort of impact that that would have on local services. Does he agree that local government should be invited to determine local structures, rather than something being imposed from the centre? If reforms such as that were pursued, how would our cities and elected mayors fit into that model?

The proposal features a separately elected mayor who would sit above the council and have powers including approval of the budget. Would that not simply reintroduce a second tier? Does the Minister agree that vesting powers in an executive county mayor would add another layer of government, which would be expensive and sometimes prolong decision making? Should not local people be in the driving seat in terms of determining localised policy, rather than a potentially remote county mayor?

On council funding, the hon. Member for Elmet and Rothwell recommends powers to generate income through council tax, income tax and business levies. I hope that the Minister accepts that council services have been decimated in some areas as a consequence of cuts. We need to look at new ways of funding, but I fear that if the proposed model were pursued, it would create a greater imbalance between local authorities and there could be a postcode lottery. What effect would that model have on individual residents’ finances if they were asked to pay income tax both nationally and locally? Does the Minister agree that devolving powers without a clear way to increase finance would simply be to devolve cuts, and the blame for those cuts, to local government?

The final question I would like to ask came to mind after the SNP spokesperson, the hon. Member for Glasgow Central (Alison Thewliss), raised the issue of salaries. One of the things that concerns me, and I would be grateful if the Minister looked at it again, is pensions for local councillors. Many local councillors give years of service. Sometimes that means they have to forgo career progression; sometimes it means they have to give their careers up altogether for a period of time.

A colleague of mine was a headmaster of a local school and he could not possibly do that while running a local council, so he had to give up that career and consequently about 15 years of his pension, I think. If we are going to encourage people with ability into local government, we need to understand that they are giving a lot of themselves. Where we are trying to encourage the whole nation into auto-enrolment, we should really look at what is a fair return for the years that local councillors give.

I reiterate my thanks to the hon. Member for Elmet and Rothwell for bringing forward this important debate. Any debate on the future of local government is welcome, particularly in this period of uncertainty, when the old ways of doing things do not work any more and we need to look at new ways. In the wake of the outcome of the referendum on the UK’s membership of the European Union, we have seen calls for a readjustment of our constitution, from reform of the House of Lords to reform of local government, and I am sure that this debate will be just the start of a coming conversation on local government reform. Local government faces new and varied challenges and requires new, and maybe radical, solutions. I look forward to the Minister’s response.

10.41 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): It is a pleasure to serve under your chairmanship, Mr Howarth. I thank my hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) for securing this important debate and note his report on local government reform. I certainly welcome the opportunity to discuss this matter. My hon. Friend said that he wanted to trigger a debate on how local authorities are governed, and he certainly has triggered debate in this Chamber. There have been many, varied views from hon. Members and colleagues who have considerable experience in local government, including my hon. Friend.

Local authorities play a vital part in all our lives. They deliver local services, from collecting our bins to caring for some of the most vulnerable citizens in our society. At a time of wider public sector fiscal constraint, and as demand for many of the services increases, the best of local government has shown itself to be agile and enterprising. Government too are focused on ensuring that wherever people may live, they benefit from effective and efficient services. We committed to that in our manifesto and we will continue to set the right conditions for that to happen. We have committed to giving councils greater flexibility and control over their budgets, introducing the ability to retain 100% of business rates in their areas, giving them greater certainty through offering guaranteed funding across this Parliament, rather than annual budgets, and offering the ability to use capital receipts from sales to fund innovation and reform of local authority services.

I share my hon. Friend’s desire for local government to be efficient, effective and accountable. As I know many councils believe, more can be done to improve local government and service delivery, and to provide accountable and stronger local leadership. However, I
do not believe that change should be centrally mandated. The right approach is bottom-up, where the initiative is taken locally. When I come to mention my hon. Friend’s comments in more detail, I will elaborate on that.

That is the approach underpinning the Cities and Local Government Devolution Act 2016. It is the approach that we are following for devolution and bringing about governance changes, whether as part of a devolution package, in anticipation of a devolution package, or free-standing to give local people and taxpayers a better deal. Government enacted the Cities and Local Government Devolution Act to enable us to take proposals forward and to implement them where we, and Parliament, are satisfied that they will deliver the better local governance that an area is seeking. There must be a good deal of local consensus. Any new structures must be sustainable and facilitate public service delivery, including effective partnerships with other public agencies, and they must also avoid any unnecessary fragmentation of local services.

Our manifesto set out the need to “devolve far-reaching powers over economic development, transport and social care to large cities which choose to have elected mayors.” We have already achieved significant success with 10 devolution deals agreed, nine of which either have established or will establish mayoral combined authorities, covering 30% of England’s population. We remain open to discussing credible proposals from other areas. I will go on to clarify some of the points raised, in particular by my hon. Friend the Members for Isle of Wight (Mr Turner) and for Cleethorpes (Martin Vickers).

The deals that we are talking about are to give local leaders the power to drive growth in their areas, but I would reiterate a comment that I have made many times before: there is not a one-size-fits-all solution. Devolution is not just about our largest cities; it is for the whole country—cities, towns and rural areas of all sizes. I have also said many times before that each deal will be negotiated to meet the needs of the area in question. However, devolution must include effective, efficient and accountable governance arrangements commensurate with the size and scope of the powers to be exercised. In some areas, that might mean that local areas may wish to look again at their governance structures.

The report by hon. Friend the Member for Elmet and Rothwell also recommends changes to local election arrangements, including moving to whole council elections and single member wards. This is generally for the Local Government Boundary Commission to consider, but that does not mean councils cannot approach the commission to request a review of their electoral arrangements, should they wish to. My hon. Friend’s comments today may well stimulate significant debate in that regard.

The role of a councillor has been discussed, but I would certainly say that a councillor is a community champion, and that the role is a vocation and not necessarily a profession. That is not to say that councillors do not bring significant professionalism to their roles; they make complex decisions that impact on the lives of tens of thousands of people in their areas. They do that repeatedly and successfully and, in my experience, the vast majority of councillors do it in an extremely professional way. In keeping with that vocational role, councillors receive not a salary but an allowance to ensure that they are not left out of pocket as a result of performing their public duty. Standardising a scheme of allowances, as my hon. Friend mentioned, would go against the principles of localism and devolving power to local authorities. We should trust councillors to ensure that the scheme of allowances they set is fair and proportionate.

Certainly, having a full-time job and being a councillor can be a challenge. I know that a number of hon. Members in this room have experienced the challenge of juggling different roles. My experience is that I was the leader of a district council. I had a full-time job and, latterly in that role, I was also the parliamentary candidate. I did feel as though I was spinning lots of plates and trying to run from one end to the other to keep those plates in the air. I do think there are benefits, as one or two hon. Members have mentioned, in having councillors that can bring their employment experiences to the council chamber. There are also benefits to people being able to take their experiences of the council chamber and the council back to their workplaces. That can benefit businesses and the roles that they undertake in their private capacity.

At this stage, let me pick up a few points that have been made. My hon. Friend gave us a very eloquent run-down of the history of local government. This Government have used that history to learn significantly from what has happened, which is why we have gone for a bottom-up, rather than a top-down, approach.

My hon. Friend mentioned the importance of parish councils and town councils, and the Government recognise that. He said that one or two areas in his constituency may benefit from having a town council, and I would direct him to have a look at Sutton Coldfield Town Council, one of the latest town councils to come into being. It is in a district of Birmingham, which is the largest local authority in the country, so he may want to look at that example.

My hon. Friend made an important point about how we conduct local government elections. He and I are absolutely on the same page, as are the Government, on retaining first-past-the-post elections as the best way to hold elected representatives to account.

Simon Hoare: The Minister mentioned town and parish councils. Clearly, with devolution there is a flow down to a more granular level, and we all welcome that. May I invite him to give some departmental thinking time to the codes of conduct and standards? They are very clear on the lines of communication at a county, district or borough level, but are less so at lower levels of local government. As they are going to be handling more money and be more involved in the delivery of often complex local infrastructure and facilities, we need to have a little think about that, because there is a lot of confusion about which rules cover town and parish councils and which do not.

Mr Jones: As ever, my hon. Friend makes an excellent point. Parish and town councils are there to serve local people; they should have transparent arrangements and be accountable to local people. That can obviously be done through the ballot box and through parish polls. Generally, when there is an issue of standards, the person with that issue can seek redress through the monitoring officer of that local authority, which is usually the principal council for that area. That said,
my hon. Friend makes an important point and the arrangements in that regard are something that we constantly look at. We will continue to do so.

Let me mention an issue raised by my hon. Friend the Member for Cleethorpes, who welcomed the devolution agenda and having a strong and accountable elected mayor. I reassure him that there is no change in policy in that regard. The choice about whether a local area wants an elected mayor is very much one for that area, but when significant and ambitious powers are to be devolved from Whitehall and from Secretaries of State, who are currently accountable in the Chamber to Members of this House as the local representatives, we—understandably, in my view—require a strong figure who would be locally elected and locally accountable.

Martin Vickers: I welcome the Minister’s comments. Does he agree that if a combined authority for a county is created without an elected mayor, the meetings of the combined authority will lack the necessary coherence? Individual council leaders go to those meetings with a mandate to look after their area; supporting a road improvement scheme 50 miles down the road rather than one of their own is very difficult, unless somebody is overseeing the whole project.

Mr Jones: Consideration needs to be given to that role, as it does to adequate scrutiny arrangements in that regard. Any combined authority consists of constituent members who will be there not only to provide advice and support to the mayor, but to scrutinise their work. Ultimately, however, the mayor would be accountable to the people, which is the most direct form of democracy.

I turn to a point made by my hon. Friend the Member for Isle of Wight; we have had many discussions about the situation on the island, which is unique compared with many of the places elsewhere in England. I certainly undertake to have another meeting with my hon. Friend’s councillors. It is important that we retain a dialogue about what happens going forward on the island, but I reassure him that this Government do not mandate devolution deals for areas. We listen to what local areas put forward and then consider whether that is an acceptable proposition for the Government to undertake. I say to my hon. Friend that we should keep that dialogue going. I know that the Isle of Wight is speaking to the other local authorities in the Solent area, but it is a choice for the Isle of Wight whether they want to—

Mr George Howarth (in the Chair): Order. I remind the Minister that it is customary to leave some time for the mover of the motion to wrap up.

Mr Jones: Thank you, Mr Howarth; I will conclude my comments in a moment or two.

I will pick up on the comments made by my hon. Friend the Member for Warwick and Leamington (Chris White), who tempted me to go down a path that, as a Minister, it may not be too wise to go down, but I understand what he said. I say to him that we agree that unitary authorities can bring many benefits, but this has to be done with local consensus. A number of tests need to be met and I will write to him in that regard.

Given what you said, Mr Howarth, I will give my hon. Friend the Member for Elmet and Rothwell the floor for the last three minutes of the debate.

10.57 am

Alec Shelbrooke: I am delighted with the way the debate has gone today, because we have had a range of opinions from different parts of the country, including from my hon. Friends the Members for Warwick and Leamington (Chris White), for North Dorset (Simon Hoare), for Isle of Wight (Mr Turner), and for Cleethorpes (Martin Vickers), among other Members. I thank the SNP and Labour Front Benchers for their contributions, and, of course, the Minister.

I said from the outset that I wanted to start a debate. I am sure that people will look at this debate with interest—some will look at it with anger, some feeling that this is the way forward and some with incredulity. However, one thing for certain is that we have started a discussion about where local government needs to look over the next century, compared with where it has come from over the last 150 years.

The Minister made an important point about history showing that many Governments have introduced the idea of a top-down organisation to unitary authorities. I do not hide away from the fact that that is exactly what my report says should happen. He is right, but as history shows, the conclusion is always that Governments do not get there, and it does not happen. However, I think councils around the country will take a closer look at some things that have been said today.

If I had a priority starting point, I would hope that many councils really take a look at going for an all-out election, because I believe that it gives people a real opportunity to change their council in one hit. I listened to what my hon. Friend the Member for Cleethorpes said and I see his argument, but as I said when intervening on him, I am not sure that having an election every year allows councils to take the real decisions they need to take. In terms of savings, in Leeds I think it costs £1 million to run an election, so that would be £0.5 million a year over a four-year period. That could be invested back into police community support officers and would not actually change the organisation of the council.

Thank you, Mr Howarth, for chairing the debate, and for the responses from everybody who took part. I hope that this really will spark a conversation that leads to some reform brought up from the bottom.

Question put and agreed to.

Resolved.

That this House has considered local government reform.
Transport Infrastructure: York

10.59 am

Julian Sturdy (York Outer) (Con): I beg to move, That this House has considered transport infrastructure in York.

It is a pleasure to serve under your chairmanship, Mr Howarth.

Appropriate and effective transport infrastructure is a fundamental requirement for the economic growth and success of every village, town and city across the country. However, York’s historical setting presents a unique challenge for transport infrastructure in the city. Its Roman foundations and medieval layout would certainly not be approved by today’s planning authorities, and traffic congestion in the centre will always be a difficult issue for the city to tackle.

In some ways, York is a victim of its own success. It is an attractive place to live and do business, sitting in the heart of Yorkshire just outside the A1(M) corridor with good links to London, Newcastle and Leeds. As York’s population has grown, its transport network has come under increasing strain. Sitting in my constituency is the A1237, which is known locally as York’s northern outer ring road. Some might call it other names, but I probably could not divulge them in this setting.

The road is in desperate need of dualling. It was built by North Yorkshire County Council back in the 1980s, and the single carriageway is now greatly over capacity, causing serious consequences not just for York but for Yorkshire and the north. The number of vehicles using the road has increased substantially over the past decade, and there has been a 10% increase in journeys on the road since 2012. There is no longer a peak period, as severe congestion persists throughout the entire day. The current average journey time from Hopgrove roundabout to Askham Bryan is more than 30 minutes, meaning that the A1237, which is a national speed limit road, has an average speed of less than 20 mph.

As an infrastructure development that was designed to reduce journey times and make villages to the north of York safer, the A1237 is no longer fit for purpose. Many drivers now choose to divert their journeys away from the road via the city centre or through outlying villages such as Haxby, Skelton and Strensall, and then on to the A64. Back in 2013, our then Prime Minister came to York Outer to visit Portakabin’s headquarters in Huntington, and experienced at first hand the “car park” on the A1237—those were his words, not mine.

Some might say that the congestion is just an inconvenience, but that would be to overlook the terrible impact that overloaded roads have on businesses and the wider economy. As journey and delivery times increase, so do costs, and there are knock-on effects when goods vehicles are persistently late. The impact of traffic on the A1237 on York is most evident at Clifton Moor business park, where many buildings are now sadly sitting vacant as businesses no longer see it as an attractive place to relocate to and shoppers are choosing to go elsewhere.

Simply put, the congestion on York’s outer ring road is acting as a noose on the city. It is choking growth and disincentivising inward investment. Having said that, York is still a great place to do business, and it is in a prime position to lead a regional economic surge at the heart of Yorkshire, but we cannot let poor infrastructure stand in the way of that great opportunity.

It must not be lost on anyone that the congestion issue on the A1237 has a wide-ranging regional impact beyond York. The road is a major east-west road for Yorkshire and serves journeys from the wider area, including the districts of Harrogate, Ryedale, Hambleton, Scarborough and East Yorkshire. There is also a significant amount of heavy goods traffic between Teesside and Teesport in the north and Hull and the wider Humberside area to the south. Much of that traffic comes along the A19 and bypasses York via the A1237. If we are to rebalance our economy to make it work for everyone, it must also work for Yorkshire and the north, and infrastructure investment in projects such as upgrading the A1237 is key to achieving that goal.

I have painted a rather grim picture of the current situation, and things will only get worse without future investment. City of York Council is currently consulting residents on York’s latest local plan, which allocates a considerable amount of land to housing developments to the north of the city and will only increase traffic pressure. York needs more housing, but it is vital that it has adequate transport infrastructure to accommodate those increases. The York Central teardrop site—one of Europe’s largest city centre brownfield sites at 72 hectares—will put further strain on the northern section of the ring road. In addition, the British Sugar site, which is a mere stone’s throw away from the A1237, will include more than 1,000 residential units. Failure to upgrade that key section of the road will burden our fantastic city centre with even more traffic congestion.

Back in the 2014 autumn statement, there was welcome news as the Government announced an investment of up to £250 million in upgrades to the A64 and the Hopgrove roundabout. The A64 loops around the southern side of York and is dualled, with grade separated junctions. The new investment will allow for works hopefully as far as Whitwell-on-the-Hill on the A64. That road is under the authority of Highways England, but surely we must take a wider and more strategic approach to infrastructure investment and examine where taxpayers’ money can be best spent.

Some 44,000 vehicles use the dualled section of the A64 south of York on a daily basis, compared with 35,000 vehicles using the York northern ring road. The average speed on the A64 is just over 50 mph, dwarfing the less than 20 mph that is achieved on the A1237. Many drivers now use the A64 as a way to simply avoid the northern ring road and save time. Upgrading the northern ring road would undoubtedly reduce the amount of traffic on the A64 and therefore cut the distances that motorists are travelling and the unnecessary extra emissions produced.

On the topic of emissions, the City of York Council has a robust programme to reduce carbon emissions and stimulate economic growth by influencing travel behaviour. That includes promoting walking, cycling and the use of public transport in the city, disincentivising hybrid electric taxis and a growing number of electric charging points for vehicles in the city centre. York has one of the best and most successful park and ride facilities in the country. The four park and ride routes include a number of electric buses and have significantly reduced the total number of vehicles travelling into the
city centre. However, although sustainable transport initiatives must continue, there is a limit to their effectiveness when the core transport network is insufficient. Sadly, the A1237 is the weak link that is causing a host of problems elsewhere in the city.

As I am sure the Minister is aware, the City of York Council has submitted a bid to the local major transport fund announced by the previous Chancellor in the 2016 comprehensive spending review. That investment allows local authorities to bid for funding for projects that sit beyond the reach of the local growth funding pots. Upgrading the A1237 is a great example of a transformative infrastructure project that has been an aspiration for far too long. The bid to the local majors fund has been listed as the York, North Yorkshire and East Riding local enterprise partnership’s No. 1 transport priority and has the full support of the Leeds City Region local enterprise partnership.

Funding is being sought to develop the business case for increasing capacity on the northern ring road. As I have outlined, the northern ring road is critical to York’s future success. Along with Clifton Moor Business Association, York and North Yorkshire chamber of commerce, Make it York and Transport for the North, I have submitted a letter of support to the bid.

Developing the business case for upgrading the A1237 to a dualled carriageway would complement the roundabout upgrades that have already been delivered, as well as the further upgrades planned to be completed by 2021 through the West Yorkshire transport fund. The initial upgrade will help to resolve some of the pinch point issues at the roundabouts, but it is effectively a sticking plaster over a much more serious problem that will only get worse.

Delivering a scheme of such magnitude clearly comes with significant cost. Dualling the A1237 between Copmanthorpe and the Hopgrove roundabout will have an estimated £142 million capital cost. Naturally, that is the scheme’s major hurdle, but the benefits of that work should not be underestimated. This is not just about making travel more convenient for local residents; it is about delivering the well-connected economy outlined as a key priority in the York, North Yorkshire and East Riding strategic economic plan.

Fast and reliable journey times between key centres are crucial to the region’s economic development and its attractiveness to UK and international markets. Tourism is incredibly important to York’s economy. The city hosted nearly 7 million visitors last year alone. In order to continue to attract visitors from across the UK and further afield to experience all that York has to offer, we must ensure that our transport network functions properly.

Of course, there are key transport infrastructure projects other than the dualling of the A1237 that are important to the city. Our north-south rail connection is strong, with journey times to King’s Cross being as little as one hour and 50 minutes. However, it is not acceptable that travelling from York to Manchester, a journey of just 70 miles, takes an hour and 25 minutes at best. Electrifying the TransPennine Express route will be incredibly important, with reduced journey times and increased overall capacity playing an integral part in that upgrade, which I welcome. We all know that the north-south divide provides a major challenge that we have to overcome. To ensure that we get economic growth right across the north, the Government must ensure that key infrastructure projects are delivered and that more budgets are devolved to regional decision makers. The arrival of High Speed 2 will make a difference to rail capacity, as well as reducing journey times. When the Government come to look more seriously at extending HS2 beyond Manchester and Leeds, as I fully expect they will and should do, as a local MP I will be shouting from the hilltops to ensure that York is not bypassed.

Finally, I ask the Minister for an update on the new stations fund. Haxby and Wigginton, with a population of more than 14,000 people, sits to the north of York in my constituency. The York to Scarborough line runs through Haxby, but its station has been disused for more than 80 years. The economic case for reopening the station is compelling, and a station would help to take cars off the York outer ring road, which is the primary subject of this debate. Is there still a fixed cost for local authorities to submit bids to the new stations fund, which is non-refundable if the bid is not successful? If so, does the Minister think the fixed cost might deter bids?

I hope that I have outlined to the Minister the real need for transport infrastructure upgrades in York and the north of England. I welcome him to his position. Will he look closely at the local majors bid made by City of York Council as a crucial step towards the dualling of the A1237? Dualling would allow the fantastic, historic city of York to thrive long into the future.

11.15 am

The Minister of State, Department for Transport (Mr John Hayes): Benjamin Disraeli said:

“The greatest good you can do for another is not just to share your riches, but to reveal to him his own.”

During my brief speech I hope to reveal to my hon. Friend the Member for York Outer (Julian Sturdy) the riches that he has brought to this debate and, indeed, to all his work in advancing the interests of the people of York, particularly on the need for infrastructural investment to improve their wellbeing and their social and economic prospects. He is right that we need to think about such things strategically and, indeed, the Government’s infrastructural investments are founded on exactly that principle. I commend and congratulate him on securing this debate, which gives me the chance to say a word or two about that.

My hon. Friend is right that York is a wonderful ornament to our country and its history and, more than that, is a vibrant living place that does much not only for its inhabitants but for its area. My wife did her master’s degree at York University, and I have visited York many times. Indeed, I often holiday in East Yorkshire and North Yorkshire, particularly at Whitby, so I understand my hon. Friend’s point about the wider impact of transport around York and its effect on East Yorkshire and other parts of that important county.

The Government agree with my hon. Friend. His core assertion that work between local partners and national Government in delivering infrastructural investment—the kind that he recommended to us today—is critical. We are investing significantly in transport infrastructure, as he said, and we have brought forward major investment programmes for road, rail and local transport. To that
end, we created Transport for the North precisely for the reason he highlighted—the necessity of a strategic approach. The aim of Transport for the North is to provide plans that support economic growth in the north, and I will return to that in my closing remarks.

I will dedicate a good part of my short, pithy but, I hope, none the less impressive speech to my hon. Friend. Friend’s particular concerns about the York outer ring road, which he described as a “noose” around the neck of the city. He is right that there are ongoing challenges in respect of that ring road. I support his desire for the roads around York to work effectively in order to minimise traffic disruption in the centre of the city, to ensure that people can get to where they need to go quickly and reliably, and to support the city’s continued growth.

My hon. Friend made an important point about housing development. Bluntly, the Government need to do more to co-ordinate policy across a range of elements of growth. The important relationship between infrastructural investment and population growth must be part of our thinking, as he has powerfully described in respect of his constituency. I acknowledge his point that we need to think laterally and strategically in those terms.

My hon. Friend acknowledged that York Council has already made improvements to the route by improving a number of roundabouts. He will know that the council also has plans in train to access funding from the West Yorkshire Plus transport fund to improve the remaining seven junctions on that outer ring road. It is a good example of central and local government combining, as I described a moment ago. As he made clear, the West Yorkshire Plus transport fund programme, which is worth up to £783 million over 30 years, is being funded from the Government’s local growth fund awards in July 2014.

City of York Council is currently developing the business case for its next plan of work and schemes, and will be taking it forward through the West Yorkshire approval process. Once funding is confirmed, York will start a programme of works to improve seven roundabouts in 2017, which the council expects to be completed in 2021-22. In addition, York Council has also made a bid to the Department’s local major schemes programme for development funding to build the case for dualling the route. That is a separate and significant piece of work.

We set up the scheme for exceptionally large and potentially transformative projects that, because they are too big to be taken forward through the normal local growth fund allocations, would otherwise not be funded. We have allocated £475 million in local growth fund money to a competitive scheme that will enable local enterprise partnerships to implement the best of those large schemes. It is a two-stage approach, as my hon. Friend will know. Recognising that transformative schemes can take significant time and resources to develop, we are enabling sponsors to apply for development costs for their business case and then, later, to apply for full scheme costs.

The criteria for the development funding are clear; I hope that this will be helpful to my hon. Friend. We are considering schemes that will help deliver area growth objectives, which were at the heart of his speech, and clear value for money, and that can produce an outline business case quickly but with robust and plausible time scales. The schemes must be deliverable and have strategic impact that can be delivered cost-effectively. My right hon. Friend the Secretary of State has already announced funding for four schemes in the fast-track round of the competition.

The Department is now considering bids under the main round, including the bid from York. The winners will be announced around the time of the autumn statement later this year. I must say to my hon. Friend that the process is very competitive; I am sure that he imagined so anyway, but it is important for me to put it on record. The Department has received a significant number of bids, and of course we want to back the strongest proposals. As I am sure he will appreciate, I cannot comment further on York’s bid. None the less, he has highlighted the significance of the challenges associated with York and its infrastructure needs. In that respect, he has done a service to the House, his constituents and the city of which he is so proud.

We are investing record amounts in the strategic roads network. My hon. Friend will know that when I was in the Department for Transport previously, I took through the House the Infrastructure Act 2015, which gave life to the road investment strategy. We are committed as a Government to creating a better road network that works for drivers and the people who live in and around cities and communities such as York. In Yorkshire and the north-east, we are investing £1.4 billion in the strategic road network, delivering the biggest increase in capacity in the region since 1971. That includes an upgrade to the strategic roads serving York and North Yorkshire.

As my hon. Friend mentioned, the road investment strategy also announced a scheme to improve the A64 Hopgrove junction by upgrading the Hopgrove roundabout east of York. That scheme is set for delivery by the end of the second road investment strategy period of 2020 to 2025, and Highways England is currently conducting a feasibility study to identify options for upgrading the roundabout.

My hon. Friend referred to wider transport issues for the north. He will know that the Government remain committed to creating a northern powerhouse to rebalance our economy, which is why we created Transport for the North. We have given £200 million to resource that effort, providing both a long-term financial commitment and the leadership required to deliver that kind of vision. The north now has a single joined-up body to shape the investment that will transform transport across the north of England.

It would be remiss of me not to mention in the time available the significant investment that we are making in railways. The north of England rail infrastructure upgrade programme will transform rail travel in the region, delivering faster and more frequent rail services with benefits and better connections for many cities across the north by 2019. Our £1 billion investment programme includes a substantial electrification programme and other track, station and signalling improvements to improve capacity and the number of services, making journeys quicker and more reliable.

Between Manchester and York, for example, options are being developed to deliver an improvement in journey times of up to 15 minutes by the end of 2022. Passengers will benefit from additional infrastructure and other franchising investments. York travellers are already benefiting from the extra seats and services provided by
the Virgin Trains east coast franchise awarded in 2014. I point out that I often travel on trains that originate in York, getting on the train at Peterborough and travelling to King’s Cross, so I know that service well and how important it is for the many who travel from York to London. Further proposed investment in that line will add benefits to travellers like my hon. Friend and me.

I am pleased to say that the Government and our agencies are working with York Council to develop the potential of York station as a major gateway to York, Yorkshire and the north. Successful developments at stations such as Birmingham New Street, Manchester Victoria and London King’s Cross have delivered transformational improvements to the communities that they serve. As I have responsibility across the Department for the built environment, I am determined to ensure that all station improvements are as good as the development at King’s Cross. We must ensure that they are not only ergonomically satisfactory but aesthetically of the highest order. As he will know, York station was announced to be part of the station regeneration vanguard in April this year.

My hon. Friend said a word or two about Haxby station, so it would also be remiss of me not to mention it briefly. He will know that the new round of the new stations fund was launched on 26 August, making £20 million available to promoters. Haxby bid in an earlier round of the fund, and I understand that it is likely to bid again. As he will also know, the criteria have been altered. Although I cannot comment on the outcome, I am keen—although I am not the Rail Minister as a rule, I take the opportunity to say this now, because for the purposes of this debate, I am—to open new stations. We should be ambitious about reopening stations where there is a strong business case for doing so. My hon. Friend has done a service in highlighting the case of Haxby station in this short debate.

As I say, my hon. Friend has done a service to the House, and in doing so, has given me the opportunity to restate this Government’s commitment to the kind of transformative investment and strategic approach that he has recommended to us. It is vital that this House and these debates inform Government thinking. It is not good enough for Ministers simply to parrot what was going to happen anyway; we must also think carefully about the arguments made by Members across this House and, where necessary, recalibrate and rethink policy approaches accordingly. That is precisely the approach that I have taken as Minister, and I shall continue to do so as a result of this useful contribution to our thinking.

I spoke earlier of Disraeli, and I will end with him too. He said:

“Man is not the creature of circumstances, circumstances are the creatures of men. We are free agents, and man is more powerful than matter.”

Let us gauge circumstances and create a better future with the power that men can bring to alter those circumstances where necessary.

Question put and agreed to.

11.29 am

Sitting suspended.
convention would not countenance independence. We argued at the time, and might still argue today, that to rule out such an option was to deny a key principle of the claim: the right of the people of Scotland to choose the best form of government. However, the claim signed in 1989 represented something of a consensus in the country that the democratic deficit experienced throughout the Thatcher years was becoming intolerable, and the convention paved the way for the Parliament that now meets in Holyrood. Today, the First Minister is outlining her programme for government, implementing as best she can with the powers available to that Parliament our vision of a more progressive and socially just Scotland.

The excellent briefing produced by the House of Commons Library for this debate contains an appendix showing the 1989 claim and its list of signatories. Some of the names are familiar: Gordon Brown, Alistair Darling, John McFall, David Steel, Jim Wallace, Archy Kirkwood. Some of those individuals can still be found at Westminster, although they go by slightly different styles and titles and work in another place with little in the way of a democratic mandate.

Another signatory is a constituent of mine, Elspeth Attwooll, a former Liberal Democrat MEP whom I credit for inspiring this debate. Before the European referendum, we both took part in a hustings where she reflected on what it meant to her to have been a signatory to the Claim of Right. It made me think about how far Scotland has come over the nearly 30 years since the claim was signed, and indeed over the years since the referendum on devolution, the 19th anniversary of which we will mark this coming Sunday. We have come far, but we still have much further to go.

The Brexit result is only the most glaring and recent example. Despite all the powers that have been devolved to the Scottish Parliament, Westminster still holds the purse strings. After three Scotland Acts since 1997, 70% of taxes and 85% of welfare spending, two of the most crucial levers of social and economic policy, remain reserved to Westminster. The Scottish Parliament, 58 out of 59 of Scotland’s MPs and local authorities across the country have all voted against the renewal of Trident, but it will still go ahead, less than 40 miles from our biggest population centre. The bedroom tax, welfare cuts, the undermining of energy and climate change policy, the threatened withdrawal from the European convention on human rights and even the removal of a tugboat from the west coast of Scotland are all directly against the will of the people of Scotland, as expressed democratically at the ballot box, yet all of them have been foisted on us by Westminster Governments.

It will undoubtedly be argued that the people of Scotland exercised their sovereignty on 18 September 2014. Some have argued that during those 15 hours when the polls were open, Scotland was truly an independent country: the future of our governance was in the hands of our people and nobody else. Disappointed though many of us were by the result of the referendum, we accept that Scotland voted to remain in the Union. However, voters were told repeatedly during the referendum that a no vote was not a vote for the status quo, and that choosing to stay in the Union would bring about a new relationship in which Scotland would lead the UK, not leave it. A vow was made to deliver something as near to federalism as possible, and a guarantee was given that Scotland would remain a member of the European Union.

As we approach the second anniversary of the referendum, none of those promises have been kept. There might have been a new status quo on the morning of 19 September 2014, but there was also one on the morning of 24 June 2016, when the Union for which people in Scotland voted came to an end. That United Kingdom—a United Kingdom that would remain part of the European Union, guaranteeing people in Scotland freedom of movement for themselves and their goods, capital and services across a continent to which we have always looked and of which we have always seen ourselves as a part—no longer exists. The Secretary of State for Exiting the European Union said as much yesterday: Brexit means that the UK will leave the European Union. That is not what people in Scotland voted for, either in 2014 or in 2016. In choosing the form of government best suited to their needs, people in Scotland, on both occasions, chose a form of government that involved continuing membership of the European Union.

That is why the Scottish Government have pledged to work as constructively as possible to protect and defend Scotland’s interests within the Brexit process. I hope that the UK Government will work constructively with the new Scottish Government Minister for UK Negotiations on Scotland’s Place in Europe as they prepare for the article 50 process. The First Minister has appointed a standing council of expert advisers to help explore different options to maintain a relationship between Scotland and Europe that reflects the choice made by people in Scotland in the European referendum.

That is also why the Scottish Government and Scottish Parliament must ultimately reserve the right to hold another referendum on independence for Scotland. It becomes clear that the best or only way for Scotland to remain in the EU is to become an independent member of the EU, we must have the right to make that decision for ourselves.

Ian Murray (Edinburgh South) (Lab): On the advantages of the EU, the hon. Gentleman will know that my party agrees with his—we voted in the Scottish Parliament to support the First Minister in taking every possible avenue to keep the advantages of the EU—but is he honestly telling the House that the solution is for Scotland to turn away from its much bigger trading partner, the UK?

Patrick Grady: I am saying that all the different options must be explored. The Scottish Government have committed on a cross-party basis to explore all those options as constructively as possible, but we must retain the right to revisit the question of our independent membership of the European Union if that becomes the best or only way to protect the benefits that we get from that membership. That is the crux of the Claim of Right: it is for the people of Scotland to choose the form of governance best suited to their needs. If our democratically elected Parliament decides on a cross-party basis—it will have to be on a cross-party basis, as we have a minority Government—to call for another independence referendum, will the UK Government seriously stand in the way?
The Edinburgh agreement may have been signed to pave the way for the 2014 referendum, but it is a de facto acknowledgment of both the general principle of the Claim of Right and the more specific question of whether Scotland has the right to become an independent country in a referendum. So when the former Prime Minister said in the Chamber that his county of Oxfordshire had voted to remain but that no one was calling for it to have an exemption from the UK-wide vote, he demonstrated a fundamental misunderstanding of the constitutional framework in Scotland. Indeed, it was the same kind of misunderstanding that led one of his predecessors to describe the Scots Parliament as a “parish council”. There has never been a claim of right for Oxfordshire, as far as I am aware, nor has there been an Edinburgh agreement recognising Oxfordshire’s right to become an independent country, but such principles are now firmly established in Scotland—indeed, they always have been.

Historically, the monarchs in Scotland were Kings and Queens of Scots. They ruled at the sufferance of the people, rather than ruling over the land or exercising a sovereignty vested in their own person or in the Crown in Parliament, as the tradition has it here in Westminster—although, as I said in this Chamber yesterday, I was interested to hear how many converts to the idea of participatory democracy there were on the Government Benches, and how keen some of them had become to cede some of their hallowed parliamentary sovereignty to popular opinion expressed in a referendum.

One reason why I bid for this debate was that I heard a number of colleagues both in the Government and in the official Opposition say informally that there would not be another independence referendum because the Prime Minister would not allow it. That reminds me of the famous words of the convenor of the Scottish Constitutional Convention, Canon Kenyon Wright, who said at the opening of the convention:

“What if that other voice we all know so well responds by saying, ‘We say no, and we are the state’? Well, we say yes—and we are the people.”

So I ask the Government—I note that the Minister here today is the Deputy Leader of the House, not a Minister from the Scotland Office, because of course it has no junior Ministers—whether they accept the principle of the Claim of Right for Scotland. The Conservatives, uniquely among political parties in Scotland, refused both to sign the declaration in 1989 and to back it in the 2012 Scottish Parliament vote. Given the promises made during the independence referendum, the respect agenda and the partnership of nations we are supposed to belong to, will they reconsider?

If the Minister cannot bring himself to commit to something so momentous today, will he at least recognise that the differential result in the Brexit referendum means that there must be a differential response from the Government? Will they consider seriously any proposals that come forward from Scotland, whether they are about participation in Erasmus, the Horizon 2020 programme or, more fundamentally, efforts to build a coalition that protects the UK’s membership of the European single market? Will the Minister and the Government consider how effectively the voices of Scotland’s MPs of all parties are heard in this House? Surely it is time for a review of the English votes for English laws procedures, which are wasting parliamentary time and continue to undermine our supposedly equal status in this House.

There may be parallels with the prevailing political and economic situation in 1989, but this is 2016. Scotland’s voice is articulated not only by Members of Parliament here at Westminster, but in a modern, vibrant and diverse Parliament at Holyrood. Those of us who have been elected to the House of Commons come from a very different tradition from our predecessors. We have not come here to settle down, bide our time and hope for a seat in the House of Lords one day. When I leave this place, as I am well aware I will, it will be because I have decided not to put myself forward, because the voters have decided they want someone else, or because at last there will be no need for Scotland to send MPs to Westminster.

In the SNP, we make no secret of the fact that we think the form of government best suited to the needs of people in Scotland is an independent one. In the words of our party constitution, it is “the restoration of Scottish national sovereignty by restoration of full powers to the Scottish Parliament, so that its authority is limited only by the sovereign power of the Scottish People to bind it with a written constitution and by such agreements as it may freely enter into with other nations or states or international organisations for the purpose of furthering international cooperation, world peace and the protection of the environment.”

But we also recognise that we have a job to do in persuading a majority of our fellow citizens of that case, which is why the second clause of our constitution is simply “the furtherance of all Scottish interests.”

We make no special claim to the Claim of Right; it belongs, by definition, to everyone in Scotland, regardless of which political party they support or which constitutional option they prefer. But it encapsulates the right to decide and keep deciding the best form of government for their needs and for the time we live in.

When the Scottish Parliament debated and adopted the Claim of Right in 2012, it did not endorse the principle of independence, but it acknowledged the principle of deciding on independence, so the Claim of Right is not just an historical document or a scholarly debating point; it is a fundamental principle on which our democracy rests. If the UK Government are serious about maintaining the present Union as a partnership of equals, they need to understand that.

I hope that, 27 years since the declaration was signed, 19 years since the devolution referendum, 17 years since the Scottish Parliament was established, nine years since the first SNP Government were elected, two years since the independence referendum, 18 months since the UK general election, four months since the Scottish Parliament elections and three months since the European referendum, the Government might finally start to get the message.

2.45 pm

Michael Gove (Surrey Heath) (Con): It is a pleasure to serve under your chairmanship today, Mr Bone.

I congratulate the hon. Member for Glasgow North (Patrick Grady) on the lucid, passionate and effective way in which he laid out the case for independence, and on using the constitutional history behind the Claim of Right as a legitimising factor for independence. However,
as he was gracious enough to acknowledge, when the Claim of Right was re-established in 1989 by cross-party consensus, the Scottish National party stood aside from that consensus. That was because the SNP position towards our constitution has always been what Henry Ford’s was towards the Model T. Henry Ford said, “You can have your car in any colour you like, as long as it’s black,” and the SNP says, “The Scottish people can decide on any constitutional future they like, provided they choose independence.” So when at that time there was a consensus—I will admit that the Conservatives were outside it—in favour of devolution, the SNP said, “This assertion of popular sovereignty is wrong because it doesn’t agree with me.” In that sense, the SNP was a bit like the proud mother who notices her son marching out of step with everyone else in the regiment and says, “Everybody is out of step, apart from my Willie.”

What the SNP has in consistency, which is admirable, it lacks in honesty about where the true centre of Scottish public opinion lies, and that is in favour of devolution. From 1989 to the present day, there has been support for a Scottish Parliament within the United Kingdom, and when the arithmetic in the constitutional convention did not suit the SNP in 1989, it stood aside, proud in its solitary conventicle. And now, even though it has a majority of representation for Scotland in this House, it regards the fact that a majority of people in Scotland voted against independence in the referendum as a mere temporary interruption and inconvenience.

Tommy Sheppard (Edinburgh East) (SNP): Will the right hon. Gentleman clarify exactly what is being suggested? Is it being said that, because a political party—in this case, the SNP—has a desired and preferential constitutional outcome, somehow its adherence to that negates any genuine commitment to allowing people to choose between a number of options? If that is the case, would it not also apply to the Conservative party or any other political party that has a preferential outcome? Surely the whole point of having a choice is that different parties can put different perspectives before the people and allow them to choose.

Michael Gove: I absolutely agree. It is to the credit of the hon. Gentleman and his colleagues that, as I said earlier, they put the case for independence with fluency, with authority, with passion, with commitment. I take nothing away from the power of the case that they make. But the Scottish people have rejected that case: in a referendum, the Scottish people clearly—by 55% to 45%—said no to independence.

But now the SNP is claiming in this debate that the long-held constitutional principle that the Scottish people are sovereign means that the Scottish people should be independent. But either the Scottish people decide their own constitutional fate, in which case we should respect the decision taken in that referendum, or they are perpetually wrong because they do not agree with the SNP. I also point out that since that referendum we have seen the SNP move from being a majority Government in Holyrood to a minority Government, and we have seen that support for Scotland’s position within the Union has remained resolutely at the same level as in the referendum. We have also seen Ruth Davidson, the leader of the Scottish Conservatives, become the single most impressive and popular politician in Scotland.

The latest statistics and opinion polling reinforce what everyone knows, which is that she is the single most formidable politician in Scotland. Those are the facts and, as Robert Burns once pointed out, we all know that, “facts are chiefs that winna ding”.

Peter Grant (Glenrothes) (SNP): Does the right hon. Gentleman believe that that most formidable and respected politician in Scotland should categorically denounce the xenophobic comments made by one of her party spokespersons against Christian Allard, who has given massive service to the Scottish Parliament and to the Scottish people?

Michael Gove: I am unaware of that eventuality. All I would say is that xenophobia has no place in political discourse and that, throughout her leadership of the Scottish Conservatives, Ruth has been consistent in making it clear that Scotland should be a warm and welcoming home for people from every background and every community.

Ian Murray: The right hon. Gentleman is one of the architects of Brexit, which has brought about this debate and is the reason behind some of the other debates in this House about Scottish independence. Will he reflect on the fact that the very person he just spoke about promised the Scottish people that if they voted Scottish Conservative they would protect the Union? How is that going?

Michael Gove: The Union is in robust good health, as is shown by the support for the continuity of the United Kingdom, which is maintained at the same level as it was during the heat of the referendum campaign.

It is important to acknowledge something more. The hon. Member for Glasgow North pointed out that, in the run-up to the referendum campaign, my party, the Labour party and the Liberal Democrats issued a commitment to increase the level of devolution given to the Scottish Parliament—the vow, published on the front page of the Daily Record. The keeper of the vow—the independent figure who was responsible for ensuring that that promise was kept—was Lord Smith of Kelvin, and he stated unambiguously that the vow had been maintained.

More than that, powers that existed before the vow and the passage of the Scotland Act 2016, and powers that are now conferred on Holyrood, have not been used by the Scottish Government. Why is it that there has been such timorousness about the exercise of the powers that the Scottish Government already have? Why is it that the tax-varying powers that have been conferred on Nicola Sturgeon and the Executive have not been exercised? Why is it that a party that claims that the answer to all Scotland’s problems is more power in Edinburgh has not even exercised the powers that it has? I can only conclude that the SNP wants a perpetual state of irritation and grievance with our current constitutional arrangements, rather than a determination to make them work. That is one reason why the SNP, having achieved unprecedented electoral popularity under Alex Salmond, is on a slow, gentle but irreversible slide in public opinion.
There is more. It is not just that the powers that we, as a United Kingdom Parliament, conferred on Holyrood, and that the Scottish people voted for, have not been exercised; it is also the case that in those policy areas that have been devolved to Scotland since the establishment of the Scottish Parliament, the SNP-led Administration have signal fail to deliver for the Scottish people.

Let us look particularly at education. When I was growing up and a student in Scotland’s schools, Scotland boasted, to good effect, that its education system was superior to that of England and any other part of the United Kingdom. The principle of the democratic intellect; the character of the lad o’ pairs; the principle, established at the time of John Knox, that there should be a school for every child in every parish—all stand testament to the fact that the Scottish people have valued education, historically, more highly than anyone else within these islands.

However, if we look at the reality of Scottish education now, we can see that children from poor backgrounds in Scotland are less likely to go on to higher education than children from poor backgrounds in England. The gap between educational outcomes for rich and poor has grown under the SNP Government. As was pointed out by Brian Wilson, formerly a Member of this House and still a distinguished journalist, one has to look very hard to find a single effective redistributive measure that has been introduced by the SNP whereby power or resources have been taken from the rich to the poor in Scotland, or whereby the opportunities available to poor children in Scotland have increased. Once again, the question has to be asked: why is it that the SNP, having had a majority Government and now having a minority Government with the support of the Greens, has been able to do so little to improve educational outcomes for Scottish children? The answer to which I am again inevitably drawn is: because the SNP is more interested in manufacturing grievance than it is in governing Scotland well.

Another example is the aftermath of the vote for Britain to leave the European Union. I remind the House that yes, of course a majority in Scotland did not vote to leave the European Union, but a significant minority did, and they did so in the teeth of a political establishment united in opposition to that proposition. Many of the people who did vote to leave come from backgrounds that I know well, in farming and fisheries. They recognised that an independent United Kingdom, with Scotland exercising power through its own Parliament, would have new powers over fisheries and farming when Britain left the European Union. But so far we have seen no effort to deploy any imagination, energy or passion in pointing out the ways in which Scotland’s agriculture and fisheries economic backbone can be strengthened by our departure from the European Union. As we saw with the start of the national conversation, there has been an attempt to use the vote to manufacture grievance rather than to ask the question, what is in the best interests of all the Scottish people?

Alan Brown (Kilmarnock and Loudoun) (SNP): Just to clarify, after the Secretary of State for Exiting the European Union yesterday outlined what Brexit would mean by not outlining anything, is the right hon. Gentleman saying that Scotland is going to get full control of its fisheries policy?

Michael Gove: My point is that when we were making the case for Britain to leave the European Union, it was perfectly clear that fisheries and agricultural policy would come back. Had a Scottish Parliament existed prior to our entry into the European Union, those policies would have been administered by the Scottish Parliament. There is the potential for the Scottish Parliament, already supercharged by the vow, to become even stronger. But, instead of exploring those opportunities—rather than regarding the glass as half full or even looking optimistically at the situation and thinking, “Well, I may not have voted for it, but I am determined to make it work for the people of Scotland”—the vote is being used to fuel a narrative of grievance and separation.

My principal charge against the SNP is this: there is no shortage of talent on the SNP Benches in Westminster and there is no shortage of passion or brainpower in the Scottish Government. Some of the most impressive men and women in Scottish public life staff the Scottish Government. This is a golden opportunity for them to show what devolution can deliver, but that opportunity is not being taken because, as this debate shows, a focus on the constiution, the generation of grievance and the creation of division trumps the cause of good government.

There are so many ways in which the devolution settlement could help the Scottish people to flourish within the United Kingdom. It is only within the United Kingdom that Scotland can, in the short to medium and, I would argue, long term, be absolutely certain that its people will have all the opportunities they deserve. Over the past month, it was remarkable when we discovered the impact of a diminution in global oil prices on Scotland’s economic position. It was remarkable the extent to which the commodity that had been relied on throughout the ’70s, ’80s and ’90s to underwrite independence had moved from being a well-stuffed piggy bank into an arid emptiness. I speak as someone whose family live in Aberdeen and for whom that fall in the oil price is, of course, a source of sadness, because individuals have lost their jobs.

More important than that being a source of sadness for the people of Aberdeen, though, is the stark fact for the people of all of Scotland that, as the author of the Scottish Government’s own White Paper on independence has admitted, the economic case for independence has been blown out of the water. I ask the SNP: now that oil is no longer the well-stuffed piggy bank that it used to be, what is being done to ensure that Scotland thrives economically? Yes, the First Minister has set up a growth commission, but what about the devastation that has been wrought on the further education sector? What about the lack of investment in skills in Scotland? What about the long-term decisions that could have put Scotland on a stronger economic course, but have not been taken? They have not been taken in order to manufacture grievance, create irritation and reinforce division.

Peter Grant: I am grateful to the right hon. Gentleman for giving way once again and I am fascinated by this assumption that a set of figures that demonstrate how
poorly the Scottish economy is performing under Conservative UK Government control is somehow an indication that Scotland cannot survive independently.

However, I go back to a comment the right hon. Gentleman made a minute ago about the impact of the fall in the price of oil, because any economic indicator that I have seen suggests that the economy of Norway is far more dependent on oil than the economy of Scotland ever has been or ever will be. Can he explain why the Norwegian economy has managed to ride out the storm? Are the Norwegians selling their oil to somebody paying a higher price? Have they got special gold-plated oil that is worth more than other oil? Or is it perhaps that they had the chance to put their oil aside when there was plenty of it because they had control of their own resources? How does he explain the continuing success of the Norwegian economy, which is more dependent on the falling oil price than we are?

Michael Gove: I am tempted to remind the hon. Gentleman that of course Norway is outside the European Union and has been since it voted to stay outside the European Union, and as a result it has been able to invest not just its oil wealth but its fishing wealth, and indeed to capitalise on its other advantages, to create a sovereign wealth fund and to take the decisions to enable it to be a country that many of us envy.

Of course, there are some nationalists who follow through on the logic of that. The former Member for Govan, Jim Sillars, has been consistent throughout in saying that sovereignty, if properly interpreted, would mean that Scotland would not only be outside the United Kingdom but outside the European Union. Although I do not agree with Mr Sillars on everything, one thing I have to say is that it is remarkable that Scots would want to give up the pound—they would have to do so if they left the United Kingdom—in order to embrace the euro, which they would have to do if they entered the European Union.

Of course, there is another alternative to that, which was outlined by the First Minister’s economic adviser, Mr Joseph Stiglitz, the other day. It is that we should have a new independent Scottish currency—a Scottish pound. It will be interesting to see if that is SNP policy and if it is, all I can say is, “If you want to go into the next independence referendum saying, ‘We’re ditching sterling and it’s a choice between the euro and our new Scottish pound’, good luck with that!”

That is because Scots voters, who were given the chance to vote in the last referendum campaign, absolutely wanted to ensure that there were more powers for the Scottish Parliament but they also wanted—even more—to ensure that Scotland remained within the United Kingdom. It was a decisive vote, providing an unprecedented mandate for the United Kingdom. The timing of the vote, the nature of the vote and the extent of the franchise were all dictated or chosen by the Scottish Government. So the Scottish Government chose the pitch, chose the rules and chose the referee, but it was still victory for the United Kingdom.

Therefore, the question that arises and that was dodged in the admittedly eloquent and fluent opening speech by the hon. Member for Glasgow North (Patrick Grady) is, “Given the powers that the Scottish Government currently have that they have not exercised, why haven’t they been exercised?” The question for all SNP MPs here in Westminster is, “Why haven’t you chosen to make a success of the current arrangements in order to argue that that is the case for more devolution, more power and perhaps ultimately independence? Why instead have you allowed those powers to remain unused, in order to be able to point the finger at current arrangements and say that they are unsatisfactory?” That is the paradox at the heart of the SNP position. The SNP is afraid to exercise the powers that it has, because it is determined that the current situation should never be seen to work.

My argument is that that position is a betrayal of what the Scottish people voted for; it undermines the principle of the Claim of Right; it is an attempt to weaken the United Kingdom; if there ever was another referendum on Scotland’s place in the United Kingdom, people would see through the SNP’s manipulation of the politics of now for the politics of never-never; and on that basis the Scottish people would vote, as they always have done when they have been given the chance to do so, to remain in a strong, robust Union that works, which is the United Kingdom.

3.3 pm

Ian Murray (Edinburgh South) (Lab): Thank you very much, Mr Bone, for calling me to speak; it is a great pleasure to serve with you in the Chair.

It is also a great pleasure to follow the right hon. Member for Surrey Heath (Michael Gove), whose great passion for Brexit—I re-emphasise—has brought us to this particular position. We would not be having debates again about rerunning the independence referendum if the former Prime Minister had not gambled the UK farm and lost. Indeed, there was no apology in the 17 minutes of the right hon. Gentleman’s oratory for the campaign bus or for getting us into this constitutional quagmire.

I emphasise that the leader of the Scottish Conservative party, who had no other policies whatever, made it her one policy at the Scottish elections back in May to say to the Scottish people, “Vote Conservative and we will protect the Union.” Everything that has happened since then has risked the very United Kingdom that I and many people in this Chamber have voted for and worked very hard to protect.

I congratulate the hon. Member for Glasgow North (Patrick Grady) on securing this debate. There is one thing that I agree with the right hon. Member for Surrey Heath about: the fact that we never have debates in Westminster Hall on how to eradicate poverty in Scotland, on how to use the powers of the Scottish Parliament to make sure we can provide finances for public services, on how to close the attainment gap or on how to protect the Union. “Vote Conservative and we will protect the Union.” Everything that has happened since then has risked the very United Kingdom that I and many people in this Chamber have voted for and worked very hard to protect.

Patrick Grady: I point out again to both Members who have followed me, the right hon. Member for Surrey Heath (Michael Gove) and the hon. Member for Edinburgh South (Ian Murray), that the First Minister is at this moment addressing the Chamber of the Scottish
Parliament to announce, among other things, £750 million to help to close the educational attainment gap, a guarantee that the health budget of Scotland will increase by at least £500 million more than inflation every year, and a doubling of the amount of free care available to all three and four-year-olds, and the most disadvantaged two-year-olds, across Scotland. The idea that the Scottish Government are not using the powers of the Scottish Parliament and are not delivering for the people of Scotland is simply false.

Ian Murray: I am delighted to hear that, because after 10 years it is about time that the Scottish Parliament started to invest in closing the educational attainment gap and in public services. That intervention by the hon. Gentleman highlights the fact that the Scottish Parliament has powers to make a difference in people’s lives, but in his speech to begin this debate he said that the Scottish Parliament has no powers whatever. Indeed, he even mentioned the tugboat that was taken away, as if the Scottish Parliament meets to discuss what it cannot do rather than trying to change the lives of people in the ways that it can.

Let us get back to this debate about the Claim of Right. It is worth just reading out the start of the declaration of the 1989 Claim of Right, which was indeed re-emphasised in the Scottish Parliament and voted on in 2012. It says:

“We, gathered as the Scottish Constitutional Convention, do hereby acknowledge the sovereign right of the Scottish people to determine the form of Government best suited to their needs, and do hereby declare and pledge that in all our actions and deliberations their interests shall be paramount.”

We have heard much from the hon. Gentleman, who is the mover of the particular motion that we are debating today, about the importance of respecting Scottish sovereignty. Respecting the popular will is important, not only in Scotland but across the United Kingdom. Let us not forget that, as the right hon. Member for Surrey Heath mentioned, the Scottish National party, along with many Scottish Tories, did not participate in the constitutional convention; the SNP did not participate in that conversation with civic Scotland, politicians, groups, universities and business about what the future of devolution should look like. Moreover, the SNP did not accept the wording of the Claim of Right that that convention was founded upon. Indeed, it is only the Labour party and the Scottish Labour party that have been entirely consistent in upholding the words of the Claim of Right, because it pledged:

“To agree a scheme for an Assembly or Parliament for Scotland; To mobilise Scottish opinion and ensure the approval of the Scottish people for that scheme.”

It went on to say that it also pledged:

“To assert the right of the Scottish people to secure implementation of that scheme.”

When the Labour party was elected to Government in 1997, one of its first Bills delivered the referendum on devolution, mobilised popular support for its approval, asserted the sovereign right of the Scottish people, delivered on the result of the referendum and created the Scottish Parliament that we have today. There was no mention of all that from the hon. Member for Glasgow North; there was no mention of how we said to the Scottish people that we would deliver something, got into power and then delivered it, on the basis of what the Scottish people were telling us they wanted to happen.

To be fair, when the SNP was elected in 2011 on a manifesto that pledged an independence referendum, we respected the mandate for that referendum, too, because the Scottish people had voted for it. Consequently, in 2014 we had that referendum and that time the Scottish people voted to stay in the UK. So, taking the word of the Claim of Right as our guide, if we can, we acknowledged “the sovereign right of the Scottish people to determine the form of Government best suited to their needs”.

The Scottish people voted for a powerful Scottish Parliament, but with Scotland being an integral part of the United Kingdom. The Claim of Right was put into practice: it was voted on in 2012 in the Scottish Parliament; the referendum happened in 2014; the Scottish people spoke; and “the sovereign right of the Scottish people” is to stay within the United Kingdom, but with a much more powerful Scottish Parliament. That was the spirit and the substance of the Claim of Right that we are discussing today.

I want to go back to the intervention from the hon. Member for Glasgow North. The Scottish Parliament is one of the most powerful devolved Parliaments in the world. It is about time that the politicians elected by the people looked back at that Claim of Right and said, “We were elected to deliver for the Scottish people with a powerful Scottish Parliament” and got on with the day job that they were elected to do. But every single day since the polls closed on 19 September 2014, the SNP has looked for any single trigger to get a different result in the referendum. That is surely the complete antithesis of the Claim of Right.

Deidre Brock (Edinburgh North and Leith) (SNP): Does the hon. Gentleman acknowledge that during the independence referendum campaign, we made it very clear that one of the major benefits of being in the UK was remaining part of the EU? That is now simply not the case.

Ian Murray: The evidence shows that people did not vote on that particular basis. What the SNP is now telling us is that because the UK has turned away from a market worth £12 billion and 250,000 jobs to the Scottish economy—I was on the same side as the hon. Lady in wanting to stay in the European Union—the solution is for Scotland to turn away from another Union that has 1 million jobs and £50 billion worth of trading. That is surely not in the best interests of the Scottish people.

We have supported the SNP and the First Minister to make sure that the UK and Scotland can get the best deal from Brexit, but if the solution to Brexit is to turn away from an even bigger partner, to mount on top of one disaster—this constitutional decision at UK level—another disastrous constitutional solution, we are surely in the wrong place. That goes to the hub of the argument.

Deidre Brock: Is the hon. Gentleman suggesting that in the case of Scotland’s becoming independent, England would be so petty-minded as to turn away from its nearest neighbour and not continue to trade in any meaningful way?
Ian Murray: We are back to rerunning the 2014 independence referendum. The key thing is—the hon. Lady and her party admit this—that the best solution in terms of currency is for Scotland and the UK to stay in the currency union. That was the SNP argument in 2014, so it has conceded that argument, unless it wants to go down the route of the hon. Member for East Lothian (George Kerevan) and go for a separate currency, which he says would involve many years of fiscal consolidation and require the selling of assets. Is the SNP talking about the euro? No, so it has already conceded that a currency union with the rest of the UK is the most important thing.

Let us consider the figures from the recent GERS report, with the £15 billion fiscal deficit, and how SNP Members fought for the fiscal framework to make sure the Barnett formula was maintained: that is an admission that the economic and fiscal framework is in Scotland’s best interest. Let us take as a starting point that it is in Scotland’s best interest to stay in the UK with a fiscal and economic union and a currency union. Is the SNP honestly saying that it will turn away from all that to be a part of the European Union when it does not know what the access requirements will be? The party does not know whether Scotland would get in. We had all these arguments in 2014. Indeed, it could be argued that entering the EU today would be much more difficult than in 2014, because there will be no grandfather rights when we leave as the UK. All of these issues have muddied the waters much more.

On the Claim of Right of the Scottish people in terms of this debate, they have voted clearly for Scotland to stay within the United Kingdom, but they also see the benefits and advantages of staying in the EU. It cannot be right to have two polarised camps in Scotland. We have the Scottish National party camp that says, “Independence at all costs” and a Scottish Conservative party that says it wants Scotland to be in the UK, but not in the EU, given the result of the EU referendum.

Both those polarised camps are completely wrong, because what Scotland wants, and what the UK and what I am sure the Prime Minister want, is for Scotland to stay within the United Kingdom, but for the United Kingdom to maintain the benefits of and its relationship with the European Union. That is what people voted for. That is what the Claim of Right would tell us they voted for.

The Claim of Right does not address the myriad problems in Scotland: the underfunded NHS, the growing attainment gap, the shambles that is Police Scotland and undervalued and overworked public servants. It does not deal with any of those issues. We know that the best way to deal with the eradication of poverty and the reduction in inequality—all the things we want to see in a much more socially just Scotland—is to maintain the fiscal, economic and currency union with the UK, but to ensure that Scotland’s position and advantages in the EU are maintained.

The right hon. Member for Surrey Heath is absolutely right. There is no discussion about agriculture, fisheries, regional policy or the environment. Those are all issues that should go straight back to the Scottish Parliament, which has responsibility, working in close partnership with the rest of the UK. But a fiscal transfer would have to happen. It is the same fiscal transfer that the right hon. Member for Surrey Heath had on the side of the bus. His fiscal transfer wants £350 million a week for the NHS. I want £750 million a year more for Scotland, along with these powers, so they can deal with the issues that would be repatriated to Scotland. Those are the big issues with regard to the Claim of Right.

If it is the case that every political party in Scotland now abides by the words, principles and substance of the Claim of Right, then the Scottish people have spoken. They have said they want to stay because they know it is in their economic, financial, political and cultural interests to be part of the UK, but they want to maintain the advantages of being in the EU. That is a challenge for the UK Government, the Scottish Government and the entire political, social, cultural and civil class in Scotland: to try to make sure we get the best possible deal for the people whom we seek to represent.

I am grateful that the hon. Member for Glasgow North secured this debate. I hope that, when he stands up in the Westminster Parliament, the SNP conference or in front of his constituency party in Glasgow North and talks about the Claim of Right, he will admit that Scotland voted to stay part of the United Kingdom and moves on to the great opportunities of using the powers of one of the most powerful devolved Parliaments in the world. My two amendments to the Scotland Bill that transfer welfare powers to Scotland were accepted by the Government, but nobody is talking about that, because the obsession with the constitution is destabilising Scotland and making the uncertainty around Scottish business and Scottish civic society polarised in terms of what the Scottish people want.

Let us get rid of all the constitutional arguments. Let us repaint buses and take all the lies off the sides of buses. Let us concentrate on what people want: the eradication of poverty; a reduction in inequality; making sure public services are properly financed; opportunities for our young people; making sure the next generation does better than the current one; and making sure we have adequate housing. Those are all the responsibilities of the Scottish Parliament. That is why we need to protect the fiscal, economic and cultural union with the UK and why we need to leave no stone unturned in making sure that Scotland’s position in the EU and the advantages that Scotland gets from the EU are protected. That is what the Scottish people have asked for. It would be a dereliction of duty if we did not try to deliver it.

Several hon. Members rose—

Mr Peter Bone (in the Chair): Order. I think two Back Benchers are trying to catch my eye and I ought to start the wind-ups at half past. Will Members bear that in mind?

3.17 pm

Alberto Costa (South Leicestershire) (Con): It is a pleasure to serve under your chairmanship, Mr Bone. I should advise you that I did write to the Speaker’s Office and spoke to someone there today about giving a short speech. I promise to be brief, because we have already heard an eloquent speech from my right hon. Friend the Member for Surrey Heath (Michael Gove) encapsulating all the points that I wished to make.
I am grateful to the hon. Member for Glasgow North (Patrick Grady) for securing the debate here today at Westminster. The debate is not so much about a Claim of Right of the people of Scotland; it is more a claim by the SNP to have a right to determine the will of the Scottish people. There is nothing new in that position. I have heard it for almost 30 years. As has already been mentioned, we had a thorough, full debate during the Scottish referendum in the two years leading up to the September 2014 referendum.

All the issues were extensively discussed around the family kitchen tables, in schools, in businesses and at the highest political arena. Even during those debates the SNP repeatedly said through their senior politicians that the exercise of the sovereign will of the Scottish people would be a once in a lifetime, once in a generation matter. Implicit in that statement is that once in a lifetime, once in a generation must be about 40 or 50 years.

During that time, sovereign countries can enter and exit from international groupings, as, indeed, the United Kingdom is about to do by exiting from the international grouping of nations in the EU. At no point in the lead-up to the referendum did the SNP suggest that the exercise of the sovereign will of the Scottish people would be called into question, and that the SNP would have to assist the Scottish people once again—to help them think again and come to the answer that the SNP wants by having yet another referendum.

The SNP, rather shamelessly, has been doing nothing but grievance and gripe in the past two years, in this Chamber and in the House, and across the United Kingdom. All of us on the side of the United Kingdom are clear about why it is doing that; it is because it has one overriding objective, which is not to help the people of Scotland by furthering public services, reducing educational inequality and ensuring the quality of the Police Service of Scotland. Its objective is about none of those things: it is about ending the United Kingdom of Great Britain.

Thus the Scottish nationalists will never agree to any ambitious proposal for the United Kingdom, particularly with the challenges and opportunities that we now face with Brexit. They have no interest in agreeing on a path that will benefit the sovereign will of the Scottish people. The only path they want to adopt in the months and years to come is that of gripe and grievance. Today’s debate is an example of that.

Patrick Grady: I am hearing a lot of grievance, and I do not think it is coming from the SNP speakers. The hon. Gentleman has used that phrase several times. Do he and his colleague the right hon. Member for Surrey Heath accept in principle the sovereign right of the people of Scotland to determine their form of government? The Conservatives, uniquely in Scotland, have never endorsed that language, which is contained in the Claim of Right.

Alberto Costa: I am merely reiterating the claim made by the hon. Gentleman and saying that if he accepts the key principle of that claim, which is that sovereignty lies with the Scottish people, surely he agrees that two years ago that sovereignty was exercised when they said they wanted to remain part of the United Kingdom.

By the way, the Claim of Right does not define Scottish people. My right hon. Friend the Member for Surrey Heath confirmed this afternoon that the SNP determined the rules for the 2014 referendum, which excluded thousands of Scots men and women—Scottish people like me—from determining the future of Scotland. I and many hundreds of people in my position had to accept those rules. The view proffered by the Scottish National party that somehow represents the sovereign will of the Scottish people is entirely dishonest because of its refusal time and again to accept that sovereign will, which is to stay part of the United Kingdom.

We have heard about powers. The Scottish Parliament has had unique powers since its creation in the late 1990s. We have seen little exercise by the SNP majority Government—and now minority Government—of those real and tangible powers for the benefit of the Scottish people because they simply do not want to improve matters. My right hon. Friend the Member for Surrey Heath used the word “paradox”; I would say that it is clear that the exercise of powers that would benefit the people of Scotland might lead to their telling the SNP, “Everything is working fine under the United Kingdom.” That would go against the SNP argument, so the paradox might go both ways.

The truth is that the SNP exists for one reason alone—to end Great Britain. There is nothing that hon. Members on both sides of the House who believe in the United Kingdom can do that will satisfy that constitutional thirst for the destruction of our great and sovereign United Kingdom.

Today’s debate is yet more smoke and mirrors—another excuse to get a headline in the Scottish media, saying that SNP politicians are somehow the only ones who have the people of Scotland in mind. That is wrong. All of us who love the United Kingdom have the intentions and wishes of the Scottish, Northern Irish, Welsh and English people at heart, to work together for the betterment of all our peoples throughout the United Kingdom. If there is any Claim of Right to be had, it is the Claim of Right to live a peaceful, tolerant, successful, stable life in a stable and successful country—the United Kingdom.

Deidre Brock (Edinburgh North and Leith) (SNP): It is a pleasure to serve under your chairmanship, Mr Bone.

I wanted to start with a sentence about respect, but I am sad to say that I have heard precious little respect today, from the Members who have spoken, towards Scotland or its elected representatives. I am very sorry about that. There has been a lot of mention of the independence referendum, and I have wondered about the promises made by the people who galloped up over the border in the closing weeks before the referendum. There has been a lot of talk about grievance and gripe, but I wonder what Members make of the many people in Scotland—not simply the SNP, although that makes up a considerable part of the population—who are annoyed and upset about the promises made to them in the run-up to the independence referendum. They included the protection of jobs at Her Majesty’s Revenue and Customs; staying in the EU, as I mentioned earlier; the protection of shipbuilding jobs; and a vow that falls far short of what is commonly meant by home rule. Those
promises were sold to the people of Scotland, and I urge Members to bear that in mind when they are addressing SNP Members.

**Michael Gove:** Will the hon. Lady enlighten us as to the view of Lord Smith of Kelvin, the keeper of the vow, about the decision of the Westminster Parliament to honour it? Did he agree that it had been honoured?

**Deidre Brock:** There were certainly members of the commission who were unhappy. None of the SNP amendments to the Scotland Bill were accepted for consideration until it went through to the unelected House of Lords, which is laughable.

To get back to the issue of respect, politicians, monarchs and bureaucrats need to understand and accept that powers lie with the people we serve, not with us. It is about knowing that the colossus that bestrides the world stage is people power and that those who lead are servants of the people, not masters. That is what the Claim of Right is. It is a declaration that the people are sovereign, as has been mentioned, and that it is in their gift to decide how that sovereignty should be used. Governments and Parliaments rule only with the consent of the people, and they exist only because the people allow them to. That is a reality that politicians forget at their peril.

It is important to note a clear difference between the attitudes struck towards Parliament in Scotland and in England. I understand that that point of difference is also noted in the legal concept of sovereignty in each nation. In England there is a belief in, tradition of, and historical precedent for the absolute sovereignty of Parliament, but there is no such belief in Scotland. The Scots' attitude, and our constitutional law—which perhaps my learned friends will confirm—is that sovereignty rests with the people. That principle is embedded in the 1320 declaration of Arbroath, in which the King and future kings were warned that if they displeased the people, the people would elect another king—more like a president than a king, I suppose. That principle is embedded in the Claim of Right.

It is not quite right to say that no Conservative has ever acknowledged that principle, because it was acknowledged by the current Chair of the Select Committee on Public Administration and Constitutional Affairs, the hon. Member for Harwich and North Essex (Mr Jenkin), when he said in a debate in the House on 22 May 1997:

"The ultimate sovereignty of the Scottish and Welsh peoples is a fact. Whatever the niceties of international law, Scotland and Wales can claim the right of self-determination if that is what they want."—[Official Report, 22 May 1997; Vol. 294, c. 872.]

It took a bit of time from the publication of the Claim of Right to the interim solution—the creation of a devolved Administration—but 10 years is nothing in the great scheme of things, and in the march of nations it is but a blink of an eye. I have to say, though, that the Conservatives have a lot to thank the Claim of Right and Scottish devolution for—they saved their party. In fact, the current Scottish Secretary owes his political career to the Scottish Parliament. There had been few opportunities for Tory politicians in Scotland, even those who had previously been Social Democratic party councillors. The proportional representational element of the Scottish electoral system revived a party that was frankly dying, and which had ironically opposed its creation in the first place. Democracy, properly energised, gives some strange, interesting and unexpected results.

The Claim of Right was democracy in action. It emerged from civic Scotland, the Churches, the trade unions, small business and organisations the length and breadth of the country as a demand to address the democratic deficit that arose from being governed by a Government who could not command support in Scotland. It is interesting to note that John Major's Government had 14% of the Members representing Scottish seats while the current Government have a bit less than 2%, so there is work still to be done in removing that democratic deficit from Scotland and rendering those of us who are Scots MPs redundant.

**Mr Peter Bone (in the Chair):** Order. I do not want to rush the hon. Lady, because she has been waiting patiently and was kind enough to write in to request to speak, so we can extend her speech to 3.34 pm and bring the Front-Bench speeches down to eight minutes each.

**Deidre Brock:** You are very kind, Mr Bone.

Independence, in our view, is the logical end point for the journey that the Scottish Constitutional Convention set out on, and it is interesting that the original convention refused to countenance that possibility—there has been some mention of that. I am told that that is why the Scottish National party stepped away from the convention. It was some years before my time in the party, but I am told that the prospect of devolution caused great debate about whether it was good for Scotland, and that the refusal even to discuss independence in the convention was the final straw. My much older and more grizzled colleagues will be able to correct the record if I have misspoken in that respect—they have long and detailed memories.

The Claim of Right, resting on the principle that the people are sovereign and imbued with a notion of changing the form of government to address a democratic deficit, has an increased resonance now. In June, the UK voted to leave the EU. Scotland did not. Some 52% of UK voters voted leave, and 62% of Scottish voters voted remain—one-ninth ripped from the European Union we were. The democratic deficit remains stark, real and unrelenting. The conditions that necessitated the Claim of Right and the creation of the devolved Administration and Parliament in Edinburgh remain.

There is but one answer that will address that deficit and Scotland’s needs; one simple, elegant solution: the dissolution of the UK. Scottish independence and the creation of good neighbours as separate nations. No one has the right to fix the boundary to the march of a nation. No one can tell a country, “This far and no further”. The ultimate sovereignty of the Scottish and Welsh peoples is a fact. Scotland’s march goes on, and independence beckons.

**Mr Peter Bone (in the Chair):** I remind the Front-Bench speakers that they will now have a maximum of eight minutes each, and I remind the Minister that under the new procedure he should allow at least two minutes for the proposer of the motion to sum up. I call Patrick Grady—I am sorry, Peter Grant.
3.33 pm

Peter Grant (Glenrothes) (SNP): Thank you, Mr Bone. I think that means we are quits for the time my hon. Friend the Member for Glasgow North (Patrick Grady) became me on the list when the debate was originally tabled.

I have perhaps misunderstood something from the reading I have done to refresh my mind about the various Claims of Right for Scotland and from listening to someone who presumably knows about the matter, because he led the debate. I thought that the Claim of Right for Scotland was about the people, but all we have heard from the Better Together Benches has been about political parties, Governments and political leaders. There has been precious little about the people. I still do not know whether either of the Conservative Members who spoke agree with the sacrosanct fact that sovereignty in Scotland resides with the people and that the people have the right to decide.

Alberto Costa: Will the hon. Gentleman give way?

Peter Grant: If the hon. Gentleman is going to confirm that he agrees 100% with the right of the Scottish people to decide for themselves, I will happily give way.

Alberto Costa: I agree 100% that the sovereignty of the Scottish people was exercised when 55% of them said “No thanks” to the SNP and yes to the United Kingdom in a once-in-a-generation referendum. Let us leave it at that. Let us leave it for 50 years.

Peter Grant: Well, there we have it. Given an explicit opportunity, one of the few Conservatives who could be bothered to turn up to the debate has refused point blank to accept what has been established in our nation since 1320—that sovereignty resides with the people. I cannot help wondering how much less of a constitutional boorach England would be in right now if it had a fundamental acceptance of the sovereignty of the people.

We spent three hours in this room yesterday talking about a misguided, I think, but understandable demand from more than 4 million people to have some kind of rerun of the European Union referendum and set a threshold, because they were so bitterly disappointed with the result. A lot of the argument was constitutional nicety about whether Parliament has the right to ignore that result and hold referendums until it gets the right result, or just to say, “We’re staying in the European Union anyway.” Fundamentally, the answer is that no one really knows, because England does not have the benefit of a clear statement about where constitutional sovereignty ultimately lies. If sovereignty lies with Parliament, the European Union referendum was advisory only. Wisely, very few people have had the temerity to suggest that, either before the vote or since.

I want to go back to some of the documents that constitute the Claim of Right for Scotland. The Better Together parties, through their determination to carry on with the #snpbad hashtag, have turned the issue into an attack on the SNP despite the fact that the 1689 Act was a wee bit before the SNP had even been thought of. They have missed a chance to celebrate a collection of documents that show the way forward for democracies even to this day.

Ian Murray: The hon. Gentleman keeps referring to the Better Together parties celebrating those documents, but his party did not agree or sign up to them, so we need to get on to the substance of the SNP’s position on the Claim of Right. I have made my position clear, which is that the Scottish people have voted to stay part of the United Kingdom—that is the substance and the spirit of the Claim of Right.

Peter Grant: As I have just said, one of the documents I am talking about is the Claim of Right Act 1689. Guilty: the SNP did not sign up to that. We did not vote for it. We did not exist—not did the Labour party for that matter.

In the preamble to the 1689 Act—I apologise, the language is kind of 1689, but I will not try to say it in an Edinburgh accent—the Scottish Parliament denounced its sovereign king, who did: “Invade the fundamental Constitution of this Kingdome And altered it from a legall limited monarchy to ane Arbitrary Despotick power and in a publick proclamation asserted ane absolute power”.

As long ago as 1689, the Scottish Parliament, which at that time was not the most democratic or egalitarian bunch of people, regarded that statement as a long-established fact—that the king had to be answerable to the Parliament and thereby to the people, and that the concept of an absolute monarchy was utterly alien.

The concept goes back even further, to 1320, to a document some parts of which many people will be familiar with to the detriment of others: the declaration of Arbroath. It is usually recognised as a declaration of Scottish independence, but it is also a declaration of the sovereignty of the people. In describing how Robert the Bruce came to be King of Scots—not King of Scotland—the Scots nobles at that time credited his accession to the throne to “divine providence, his succession to his right according to our laws and customs...and the due consent and assent of us all”.

Even in 1320, someone who had contributed so greatly to the wellbeing of the nation as Robert the Bruce had no right to call himself King of Scots unless the Scots were prepared to accept him.

A lot of the 1689 Act’s anti-Catholic rhetoric would not go down too well today, just as the anti-Semitism of parts of Magna Carta is perhaps better left in the 13th century. Long before there was talk of any of the political parties in existence just now, and long before the grievance politics we are seeing just now, the documents I am talking about established a principle that can be held up as a beacon, as it has been for centuries in Scotland. It can be held up as an example of how to sort out the mess that the Government have got England, and to an extent Wales, into. It is being held up as a beacon elsewhere, because the declaration of 1320 became the framework on which the American declaration of independence and constitution were founded. I noticed that the hon. Member for Edinburgh South (Ian Murray) suggested that an independent Scotland would have no trade ties with England. I have not checked the recent figures for trade between Britain and its former colony across the Atlantic, but I do not think anyone would argue that there has been no trade between Britain and the United States of America since independence.

Talking about the Claim of Right for Scotland does not mean that we are arguing about whether Scotland should be independent, or about who should form the
Incidentally, yesterday we were challenged by one of the people of Scotland to take decisions for ourselves. Not use that as an excuse to usurp the absolute right of we want—that is a democratic right—but they should everything we stand for? People can disagree with what forgotten about this ingrained hatred of the SNP and Scotland, just for an hour or two could we not have decided whether we would be taken out of the European Union.

While we are talking about the Claim of Right for Scotland, just for an hour or two could we not have forgotten about this ingrained hatred of the SNP and everything we stand for? People can disagree with what we want—that is a democratic right—but they should not use that as an excuse to usurp the absolute right of the people of Scotland to take decisions for ourselves. Incidentally, yesterday we were challenged by one of the Tories in the European debate to have faith in our country. We have faith in our country. As Hugh MacDiarmid said:

“For we have faith in Scotland’s hidden powers

The present’s theirs, but all the past and future’s ours”.

3.42 pm

Mr David Anderson (Blaydon) (Lab): It is a privilege to be here before you today, Mr Bone. I congratulate the hon. Member for Glasgow North (Patrick Grady) on securing this debate.

I am proud that the Labour party is the party of devolution. The Labour party pushed for devolution while in opposition and supported the constitutional convention in every way. We made sure it worked and saw it embraced by the Scottish people. We have consistently supported more powers for Scotland, even when we have not been in a position to implement those additional powers in the devolved Administration. We were supportive of the in/out referendum in 2014 and we were the ones who drove the vow that the right hon. Member for Surrey Heath (Michael Gove) spoke about. The people of Scotland overwhelmingly supported that vow less than two years ago. That led to the Smith commission, which has delivered to Scotland the most complete and powerful devolved Administration on Earth.

On a personal note, I have been an ardent supporter of devolution for many years. I was the chair of the policy committee of Unison in the late 1990s. During that time, we committed funds, practical and political support and physical resources to London, Wales and Northern Ireland and in particular to Scotland, where we were an integral part of the civil society voice that drove forward the constitutional convention. Things have changed in recent days. We know that the British public’s decision to vote for Brexit, whether we agree or disagree with that outcome, has left the United Kingdom fractured. That is the nature of politics. We make decisions—in this case the electorate made the decision for us—knowing that there will be others who disagree with the outcome. While we are in such a fragile economic state, we have a duty to the people to ensure that we do not exacerbate the situation.

Everyone in the Chamber knows the end goal for the Scottish National party. The clue is in the name; it is written on the tin. The question we must ask ourselves, though, is whether now is the time to push that agenda. I take on board what the hon. Member for Edinburgh North and Leith (Deidre Brock) said. I respect the Scottish people. Let me set the record straight: unlike some, I would never say that the Scottish people are unable to choose a Government who represent their best interests. Nor would I say that were Scotland to remove itself from the UK, the country would become destitute and cease to be. What I would say, however, is that there have been two referendums in two years. That is a matter of fact. There was one for the people of Scotland and one for the people of the United Kingdom as a whole. In both, the people of Scotland voted to remain as members of those Unions. Is it therefore right to remove them from those Unions against their democratic will?

In the EU referendum in June, 62% of the Scottish electorate exercised their right to vote. In the independence referendum in September 2014, 85% of the same electorate exercised that very same right. The Labour party is the party that is willing to explore the possibility of fulfilling the wishes of the Scottish people as expressed in both referendums to see whether we can give them what they have asked for.

The SNP claims there has been a real shift in public opinion since the independence question and the EU referendum. That is not borne out by what has come over very clearly in public opinion polls. The latest YouGov survey had 54% of those polled expressing their desire to remain within the UK, despite the EU referendum result. Only 37% said they would back another referendum. Are we really saying that that shift warrants a second referendum? Time and again, I have sat and listened to SNP Members expressing their discontent at the people of Scotland repeatedly being ignored by a Government not of their choice. This may come as a surprise to the SNP, but that problem is not experienced solely in Scotland. My constituents in Blaydon elected me as their MP. Only 16% of my constituents voted for the Tories, meaning that a party voted for by only 16% of my constituents is now governing them. As much as it may not be particularly palatable, that is democracy, no matter how much we might not like it.

What is contrary to the principles of democracy, however, is attempting to defy the wishes of the electorate by attempting to use their vote in one referendum to supersede the other. The purpose of devolution was to allow the devolved Administrations to govern themselves and deal with issues that are particularly prevalent in their areas. We are increasingly facing scenarios where those powers go unused, as my hon. Friend the Member for Edinburgh South (Ian Murray) so eloquently said. I am referring to the refusal by the SNP Government at Holyrood to use their newly devolved additional income tax-raising powers to alleviate the cuts imposed on them by the Tory Government. The plans proposed by Scottish Labour to raise income tax by 1% would have generated an estimated £600 million a year for the
Scottish Government. That would be enough to alleviate the cuts affecting the poor and most vulnerable in our society and to support vital public services.

To use one example, NHS Scotland is facing enormous cuts. In Glasgow alone, it is estimated that there will be cuts of £258 million by 2021. The refusal to raise income tax strikes me as odd. After all, we are dealing with a self-proclaimed left-wing party—a party that surely would wish to do its utmost to alleviate the cuts to the poorest in society and to protect their public services. If we had those powers in Blaydon, I would ensure that we used them to protect the poor, the vulnerable, the sick and the disabled so that they would not suffer any more than they already have at the hands of the Tory Government.

Mr Anderson:

Peter Grant rose—

Mr Anderson: I will give way, but please be quick.

Peter Grant: If increasing income tax is such a fantastic idea, how does the hon. Gentleman explain the fact that, on the back of that promise, his party had the worst electoral disaster in Scotland for more than 100 years and is now even less popular in Scotland than the Conservatives?

Mr Anderson: The whole debate is about the will of the people. People chose not to go for that, and that is their choice. Scotland, despite the claims made by the right hon. Member for Surrey Heath about Ruth Davidson, still remains historically a socialist heartland. The majority of the electorate are inherently socialist. I therefore argue that to have a Government who would introduce and implement socialist policies, their only option now is to choose Labour.

I turn to the UK Government and express my utter dismay at a piece of correspondence I received recently. The correspondence came in the form of a letter from Citizens Advice Scotland that drew my attention to a report it produced on the poverty premium in Scotland. The report highlights the issues faced by those on the breadline—those who have to choose between electricity and food, as well as those who are forced to go to payday loan companies to make ends meet. The report looks at the impact that has on their mental and physical health and their personal relationships. Those are the daily problems that people face, and they are the issues we should be dealing with. It is what the Labour party would do, and it is what the SNP should be doing. I say to Members from Scotland: please stop talking about constitutional matters and get down to the business of actually helping the people of Scotland. If they did that, they would get more respect.

I am genuinely grateful to hon. Members for the history lesson that I have received today, but I am worried about the problems facing the people in the present and the huge uncertainties we face in the future. That is what we should be spending time talking about in this place and in Holyrood.

3.49 pm

The Deputy Leader of the House of Commons (Michael Ellis): I start by saying what a pleasure it is to appear before you, Mr Bone, a fellow Member from Northamptonshire. I congratulate the hon. Member for Glasgow North (Patrick Grady) on securing this debate, which is one in a series along similar lines. I think, that have been secured. It has been an important opportunity to discuss the democratic tradition in Scotland, of which both the 1689 and 1989 Claim of Right documents form an important part, and to highlight the significance of that tradition today. It is good to be reminded that the constitutional issues which we grapple with are not new. Of course, it is arguable that the Claim of Right was put into practice in 2014, as the hon. Member for Edinburgh South (Ian Murray) mentioned. The people had a say then—they voted to stay in the United Kingdom and that should be respected.

The United Kingdom shares a democratic tradition, exemplified by the Parliament in which we are gathered today, which works in harmony with and not against the particular traditions of Scotland. That was recognised in the devolution settlement, for which the 1989 Claim of Right, drawn up by the Scottish Constitutional Convention, helped make the case, and which was voted for in the 1997 referendum and reaffirmed in the 2014 referendum. That settlement respects the right of the Scottish people to have a say, in two Parliaments, on a range of important issues affecting their lives while remaining a strong and vital part of the United Kingdom.

Most recently, the Scotland Act 2016 ensures that the Scottish Parliament has a significantly greater say on matters including taxation and welfare support in Scotland, putting into practice the agreement of the Smith commission, to which my right hon. Friend the Member for Surrey Heath (Michael Gove) alluded. That agreement was reached by all the major parties in Scotland. The heads of agreement in the commission’s report recognise the principles of the 1989 Claim of Right by citing “the sovereign right of the people of Scotland to determine the form of government best suited to their needs.”

The Act now being implemented, with a number of its new powers having already come into force, provides the right balance to the devolution settlement and will create a more powerful and accountable Scottish Parliament within a strengthened UK. That is what the people of Scotland voted for. It balances the desire for more decisions to be taken in Scotland, closer to those they affect, with retaining the strength and security which comes from membership of the larger United Kingdom and for which people voted in the crucial, once-in-a-lifetime referendum in 2014.

The Scottish Parliament at present has extensive powers. Today, it has a budget of around £30 billion, but with little responsibility for raising the funds it spends. The 2016 Act, when implemented, will provide the Scottish Parliament with much greater tax-raising powers. From responsibility for raising around 10% of what it spends today, Holyrood will in future be responsible for raising more than 50% of what it spends. As my right hon. Friend the Member for Surrey Heath mentioned, the Scottish National party is not currently using the powers that it has, and one can draw conclusions from that.

The Scottish Parliament will be given unprecedented flexibility on income tax to set income tax rates and thresholds for earned income, including the ability to introduce new bands. These crucial powers represent around £12 billion of income tax revenues. In addition, there are extensive new powers over welfare and employment
support, which allow the Scottish Parliament and the Scottish Government to support those who need it in a way that reflects Scottish circumstances.

What is important now is how those new powers will be used for the benefit of people in Scotland. We respect the importance of historical traditions and we have heard a great deal this afternoon about the 1689 Claim of Right. Traditions are very important, but the priority should be the future. We have delivered on our commitments in the Smith commission, and the United Kingdom Government will support the Scottish Government using those powers in the interests of the Scottish people.

On the outcome of the EU referendum, the Prime Minister has had constructive discussions with the First Minister and has made her position clear. Hon. Members may have heard that position enunciated frequently: Brexit means Brexit and we are going to make a success of it. It was a high priority for the Prime Minister to visit Scotland and meet the First Minister to discuss that matter very soon after she became Prime Minister, but in 2014 the Scottish people decided in a legal, fair and decisive referendum to remain a strong part of the UK. That is a vivid example of the Claim of Right in force, and should be respected. That is how we will now approach our negotiations for leaving the EU—together as one United Kingdom. I say to the SNP that our focus should now be on working together to get the best deal for Scotland and the whole of the United Kingdom in the negotiations with the European Union. The people of Scotland will expect the United Kingdom and Scottish Governments to work closely together, as part of team UK, to find a constructive way forward and therefore, as we prepare for a new negotiation with the European Union, we will fully involve the Scottish Government. I say in the strongest terms that our aim should be to unite to ensure the best deal for Scotland and the whole United Kingdom as we take forward the necessary work following the referendum result.

The 1689 Claim of Right and its more recent successor are important documents that reflect a venerable democratic tradition in Scotland, but they should not be invoked now in an attempt to justify another independence referendum. That is not what should happen. Respecting the will of the Scottish people means respecting the result of two referendums by ensuring that we negotiate an exit from the European Union that achieves the best deal for Scotland so that it remains stronger within the United Kingdom. The focus now should be on working together to achieve that aim and, at the same time, on ensuring that the significant new powers that the Scottish Parliament has are implemented and used in such a way that delivers practical benefits for the Scottish people.

3.57 pm

Patrick Grady: I am very grateful to all right hon. and hon. Members who have taken time to participate in the debate in a very constructive and good-spirited manner. I was not trying to rerun the arguments of the independence referendum—my point is that the circumstances have changed significantly since then. What I wanted to understand—I am not entirely sure that it has become any clearer—is the Government’s position on the principle of the sovereignty of the people of Scotland. The Conservatives never endorsed the Claim of Right and, by the end of the day, still have not. That is going to be particularly important in the context of decisions that will come to this Parliament on the future of our membership of the European convention on human rights and on the possibility of a British Bill of Rights. It will be important for the decisions that the Scottish Parliament, founded on the back of the Claim of Right and a referendum, will have to make, on a cross-party basis, about the potential for any future independence referendum.

I have heard the accusations that we are navel-gazing and talking about constitutional matters. Well, the constitution is still reserved to Westminster. All the examples I gave of policies that are against the will of the people of Scotland are policies that are reserved to Westminster. While we have been debating this, the Scottish Government have been laying out their programme for government, for progressive reform, for a more socially just Scotland—an ambitious vision—using the powers that we have and that have been endorsed three times in Scottish general elections where the Scottish National party was elected to Government. I would say to the hon. Member for Blaydon (Mr Anderson), who said that the clue to our purpose is in our name, that our name is the Scottish National party and not the Scottish nationalist party.

Question put and agreed to.

Resolved.

That this House has considered the Claim of Right for Scotland.
Mindfulness in Schools

[Mr Charles Walker in the Chair]

4 pm

Nic Dakin (Scunthorpe) (Lab): I beg to move, That this House has considered mindfulness in schools.

It is, as always, a great pleasure to serve under your chairmanship, Mr Walker. It is good to be able to highlight the work of those bringing mindfulness training into UK schools. I pay tribute to all those supporting the ongoing work of the all-party parliamentary group on mindfulness. In particular, I pay tribute to the enthusiasm and passion of our former colleague, Chris Ruane, who continues to be an outstanding ambassador for mindfulness.

Childhood is a time for acquiring life skills alongside academic knowledge. Good schools teach young people how to keep their bodies fit, and encourage regular exercise and a healthy diet to promote good physical health throughout life, but mental health is equally important to a child’s long-term wellbeing, academic success, behaviour and eventual life outcomes. The training of attention is a foundation on which the cultivation of good mental health rests. A growing body of scientific evidence shows the benefits of mindfulness to resilience, concentration and the relief of anxiety. An evidence-based approach to mental wellbeing should have a vital part to play in the way we prepare our children for life. It makes sense, therefore, for mindfulness to be taught more widely in our schools.

In my professional and personal life, I am aware of the need to be present, focused and grounded to face all that life and work throws at us—at the moment, that is quite a lot. I am one of about 130 MPs and peers who have taken a mindfulness course in Parliament in the past three and a half years. Like many of my colleagues, I found the course compelling, with personal benefits for everyday life.

Abundant research shows that attention is fundamental to mental functioning. The eight-week mindfulness course undertaken by parliamentarians taught us how to train our attention to remain more focused and engaged in the experience of the present moment. By steadying one’s attention in that way, one can learn to respond in more clear-headed, versatile and creative ways to daily choices and challenges, instead of being driven by habit and impulse. Those simple, accessible mental skills can be taught to everyone, but, as with so many things, the most effective time to learn is during childhood.

Children and young people are under tremendous pressure in today’s society. According to Government figures given to the all-party parliamentary group, 32.3% of 15 to 25-year-olds suffer one or more mental health difficulty, and 11% suffer mild, medium or severe forms of attention deficit hyperactivity disorder. Only last week, the Children’s Society published disturbing evidence in its annual “Good Childhood Report” that levels of unhappiness are rising among 10 to 15-year-olds. It called for more mental health and wellbeing support to be made available in schools to tackle low wellbeing early. Mindfulness has a role there.

Jessica Morden (Newport East) (Lab): I congratulate my hon. Friend on securing this debate. He rightly talks about the level of the alarming mental health crisis. Some 10% of children experience mental health issues between the ages of five and 16, and half of those who experience mental health issues as children go on to experience them as adults. Given the scale of the problem, does he agree that there is a real urgency to innovate?

Nic Dakin: My hon. Friend is absolutely on the money. If this issue can be tackled in childhood, it will be less of a problem in adulthood. At the moment, the picture in adulthood is not very pretty either. The use of antidepressants among adults has increased by 500% in the past 20 years in the UK. The World Health Organisation states that by 2030, the biggest health burden on the planet will be mental ill-health. Many factors have been suggested as explanations of the apparently massive increase in mental ill-health among the young, including family breakdown, school-related stress, bullying, cyber-bullying, information overload, watching too much TV and digital technology rewiring our very brains.

Mind with Heart, which runs teacher-training workshops on mindfulness, has shown that teaching children mindfulness helps to reduce bullying, which is a significant contributor to youth depression, anxiety and suicidal tendencies. Much of that stress and mental ill-health can be avoided or alleviated. The possibility of prevention or effective management is greatly increased if skills for managing one’s mind through life’s challenges are learned early. That is why it is vital that schools and colleges play their full part, not only in spotting and addressing mental ill-health, but in teaching the basic life skills of good mental health. A growing body of research suggests that mindfulness could have a foundational role to play in providing evidence-based mental training for children and young people.

Following the publication of more than 50 promising pilot studies, the Wellcome Trust is currently funding a £7 million research project into the effects of mindfulness training on pupils aged 11 to 18, led by Oxford University. It is likely to confirm and strengthen the existing scientific evidence base for the adoption of mindfulness education programmes in schools around the world. Staff from the Centre for Mindfulness Research and Practice at Bangor University have introduced a curriculum for seven to 11-year-olds and are developing a course for three to seven-year-olds. The university is also researching the impact of mindful parenting programmes.

One of the fathers of modern psychology, William James, said in the 1890s that, “the faculty of voluntarily bringing back a wandering attention, over and over again, is the very root of judgment, character, and will. No-one is a master of himself”

“if he have it not. An education which should improve this faculty would be the education par excellence. But it is easier to define this ideal than to give practical directions for bringing it about.”

The courses and curriculums I mentioned not only define but deliver that ideal. There is promising evidence that mindfulness training enhances executive control and emotional regulation in children and adolescents, in line with adult research. Those crucial contributors to self-regulation underpin not only emotional wellbeing but effective learning and academic attainment.

Research highlighted by the prominent American psychologist, Daniel Goleman, show those capabilities to be the biggest determinants of life’s outcome. They improve concentration, response to stress and meta-cognition, all of which are crucial skills for learning.
They support effective decision making and creativity. In other words, the soft skills are the foundation of the hard skills.

**Siobhain McDonagh** (Mitcham and Morden) (Lab): Does my hon. Friend agree that those soft skills also provide a brake between thought and action? In the case of self-harming, which seems to be increasing exponentially, they are an important brake on action and on injuring oneself—particularly for girls. Some of our schools are becoming the biggest procurers of mental health services outside the NHS.

**Nic Dakin** (Scunthorpe) (Lab): My hon. Friend is absolutely spot on. The opportunity for reflection, attention, thought and pause is encouraged through mindfulness training.

At the launch of our all-party group, it was wonderful to see 10-year-olds and teenagers showing an impressive understanding of the workings of the brain, demonstrating absolutely the point made by my hon. Friend. The Member for Mitcham and Morden (Siobhain McDonagh). They knew about the role of the tiny reptilian part of the brain, the amygdala, which hijacks higher psychological functions such as kindness, creativity and compassion; they spoke about practising regular mindfulness meditation in order to remain anchored in the present, rather than being swept away by strong emotion; and they explained the difference that such training made to their lives, with the ability to make considered responses, rather than being the victim of impulsive reaction—in many ways, exactly the point made by my hon. Friend.

**Jessica Morden:** To back up my hon. Friends, I should say that many hon. Members, including me, have visited mindfulness programmes in our constituencies. I was struck by how highly the programmes were talked of by people, and by how enthusiastic they were about them and the techniques. Does my hon. Friend agree that we would welcome hearing from the Minister that he is willing to visit some such programmes?

**Nic Dakin:** That is a very good idea. I suspect that the Minister will be delighted to seize the opportunity when he responds to the debate. I thank my hon. Friend for her intervention—she is right that seeing such programmes being delivered is inspirational.

Teachers need the training to deliver the courses. This week, one teacher contacted me to say that she had paid for herself to become a qualified mindfulness teacher, and she has seen a remarkable impact on her students from the courses she teaches. As she rightly points out, however, we need courses to be run for the teachers themselves, because they need to embody mindfulness before it can be taught effectively. We then need teachers to be taught how to teach it.

In the context of education, our all-party group on mindfulness is concerned not only with pupils and students, but with those who work in education. Sadly, according to the statistics, the challenges that they face are compelling. According to an NASUWT survey, half the teachers polled had visited their doctor with work-related physical or mental health issues; more than three quarters of them had reported anxiety; and 86% had suffered sleeplessness. Mindfulness has the potential to tackle such issues.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Will the hon. Gentleman give way?

**Nic Dakin:** I will give way—

**Mr Charles Walker (in the Chair):** Order. The hon. Lady was not present at the beginning of the debate. I will let her make an intervention, but please, colleagues: you have been here for a year and a half. You know the rules.

**Margaret Ferrier:** I had a view of some research in a 2014 *Clinical Psychology Review*. Researchers at Montreal University, who looked at 209 studies covering more than 12,000 people, concluded that mindfulness is especially effective to reduce anxiety, depression and stress. Does the hon. Gentleman agree that mindfulness would be extremely beneficial for young people to use as a tool to cope with stress and anxiety, be it social, exam-related or otherwise?

**Nic Dakin:** The hon. Lady, though late, makes a good contribution. Unions such as the National Union of Teachers in Wales offer their members massively discounted rates for mindfulness classes.

**Nick Thomas-Symonds** (Torfaen) (Lab): Will my hon. Friend give way? I, too, apologise for not being present at the start—

**Mr Charles Walker (in the Chair):** Gosh: we now have a free-for-all. I will be less generous next time, but if the hon. Gentleman wishes to give way—

**Nic Dakin:** I will give way.

**Nick Thomas-Symonds:** I thank my hon. Friend for giving way. He is making a powerful point that mindfulness is extremely useful throughout life. For example, it can also help with transition when people have long-term health conditions, which is beneficial for the person and for our public services.

**Nic Dakin:** Absolutely—another intervention that was worth taking, although my hon. Friend was a little tardy in arriving.

Before the recess, I chaired a meeting in Parliament at which Professor Craig Hassed of Monash University, Melbourne, informed MPs about work he has been doing for 25 years to introduce trainee doctors and teachers to mindfulness as part of their curriculum. It would be good to see that practice emulated in British professional training.

To conclude, in the past few years we have made real progress in the field of mindfulness in education, but a great deal more can be done. A strategy that considers how best to train the attention of young people from childhood through adolescence and early adulthood would help to stem the tsunami of mental ill-health that is enveloping the youth of the western world, while simultaneously supporting learning and helping to tackle behavioural issues.

Mindfulness training offers preventive strategies to grow resilience in our young people. With mental health issues on the rise in schools and colleges, and CAMHS—child and adolescent mental health services—under pressure...
throughout the country, it is imperative for us to seize the opportunity to make that resilience training a natural part of our children’s education. I am proud to be working alongside mindfulness advocates, educationists, academics, scientists and fellow politicians, across party, in taking the issues forward for the benefit of the next generation.

The all-party group has had consistently positive responses from Education Ministers, who have been keen to work with us. For example, in 2014 the right hon. Member for South West Norfolk (Elizabeth Truss), then an Education Minister, met the group and we had a useful discussion; and last October the right hon. Member for Loughborough (Nicky Morgan), then the Secretary of State for Education, spoke at the launch of our APG report, “Mindful Nation UK”.

I thank the Minister present for already agreeing to meet a cross-party delegation in the near future to discuss issues further. Meanwhile, I would be interested if he took up the offer so well made by my hon. Friend the Member for Newport East (Jessica Morden): to visit a school where mindfulness is being taught, so he may see that at first hand. Will the Minister commit to support the growth of mindfulness courses in schools for children and staff? Will he also work with his ministerial colleagues to look at the latest research into, and best practice for, the wellbeing of teachers to ensure that they have the psychological and emotional resources to provide world-class teaching for our children and young people?

4.16 pm

The Minister for Vulnerable Children and Families (Edward Timpson): It is a pleasure to see you in the Chair, Mr Walker.

I am pleased that the hon. Member for Scunthorpe (Nic Dakin) was able to secure the debate, and I thank him for a thorough, informative and thoughtful contribution. Ensuring the wellbeing, happiness and success of our children and young people is a top priority for me, as it is for him. The debate is timely in that, given the change of Government, I have recently taken on departmental responsibility for children’s mental health, which is an area that I feel passionately about and with which I have been involved through my work for children in care.

I am fortunate to have been the Children’s Minister for four years. Throughout, my focus has been on improving the lives of all children in our society, in particular the most vulnerable and disadvantaged. Now, I will be working closely with my hon. Friend the Member for Oxford West and Abingdon (Nicola Blackwood) in her new role as the Under-Secretary of State for Health with direct responsibility for child and adolescent mental health, as well as with ministerial colleagues in other Departments, to ensure that we garner knowledge about and growing evidence for the impact that we can have if we work earlier, more collaboratively and with more conviction to tackle such issues.

One of the Government’s main priorities is to prepare all young people, wherever they live and whatever their background, for life in modern Britain, to ensure that they all have the opportunity to develop necessary character and resilience and to grow up to become well-rounded individuals who can make a positive contribution to society. I am in no doubt that positive wellbeing—emotional, as well as physical and mental—the ability to cope with life’s challenges, and good mental health are key aspects in achieving just that. We still have a long way to go, but we are working hard to make real and lasting improvements. We all have to acknowledge that, historically, the importance of good mental health has not been prioritised in the same way as physical health, despite the fact that the impact of poor mental health can be just as profound on young people’s education, overall health and life chances.

That alone will not compensate for all the years in which the area has been underfunded and under-prioritised, but yes, we have committed £1.4 billion in funding to turn around and transform services, asking local areas to identify the needs of their local populations and to look at developing new approaches, in particular those focused on upstream investment in preventive approaches. At the same time, national organisations such as the UK Council for Child Internet Safety, which I co-chair, are working to improve all aspects of internet safety, including on cyber-bullying and self-harm.

As the hon. Member for Scunthorpe said, and as we know from a 2004 study by the Office for National Statistics, about one in 10 children and young people had a diagnosable mental health disorder—the equivalent of three in every classroom—and another four or five in each class had poor mental health. That was 12 years ago, and due to the huge and in some ways unimaginable changes in society since then, young people are growing up in a very different environment from the one in which we grew up and are facing a whole new set of challenges. A ChildLine report published in January suggested that modern-day pressures such as cyber-bullying and social media are affecting children’s confidence and self-esteem. Children cannot unplug from their online world, and that is changing the shape of many of their relationships and the pressures that they come under at a much more tender age. In order to understand much better the impact of that, the Department of Health is undertaking a prevalence survey to look at the state of the mental health and emotional wellbeing of children and young people across the country. When that survey’s findings are reported in 2018, they will give us a comprehensive and far clearer picture of what young people need.

There is still much more for us to learn and do to enable all children to enjoy good mental health and emotional wellbeing, and I completely agree that schools and colleges have a vital role in achieving that. That is where mindfulness—a modern innovation born from the deepest traditions of meditation—comes in. Such approaches, which focus on building skills and resilience to help children and young people to be far more aware of their own mental health and give them the confidence to ask for help when they need it, have the potential to be incredibly useful when used in school and college settings.

I have been interested for a while in how mindfulness can be used to help children and young people to focus their attention and develop their concentration skills—a real problem for many youngsters at a much younger age than ever before. I have also been struck by the
testimony of many teachers and pupils—we have heard more of that today—who have adopted this approach and found that they are calmer, more fulfilled and better able to deal with stress. The hon. Gentleman is particularly keen on mindfulness, because my dad was on “Desert Island Discs” earlier this year, and he spoke about some of the moments of acute stress in his life and the debilitating effect that often has, and about the importance of being able to talk to someone about that in the hope that help can be given, coping strategies can be worked out and stress can be pre-empted and prevented from developing in the first place. Again, from what I know, much of that appears to be at the heart of what mindfulness is all about.

Many schools successfully use mindfulness approaches such as those offered by the Mindfulness in Schools project, and some of our teaching schools, including the Alliance for Learning, offer mindfulness training to other schools, both as part of their staff continuing professional development and as a way of supporting their pupils. Anthony Seldon, the former head of Wellington College, is a strong advocate of that approach. I am keen to learn more about the impact of such courses and would welcome the opportunity to hear more about such approaches from members of the all-party parliamentary group—I am grateful to one of its co-chairs, the hon. Member for Newport East (Jessica Morden), for taking part in the debate—and to visit one of the mindfulness projects in action. I am not sure whether we will necessarily end up in Wales, but I am aware that we will find a school that will give me a really good insight into the positive impact that mindfulness is having on its pupils and staff, and on the wider community.

It is important that schools and colleges are able to choose programmes and interventions that are right for them and their pupils. No single approach will be right in all circumstances, and it can be difficult for schools and colleges to know what is safe and most effective to offer to their pupils. Rightly, our first step is to have a better understanding of what schools and colleges are doing, so we are in the process of conducting a large-scale survey to ask them what approaches and interventions they use and which they find are the most effective. Mindfulness is specifically mentioned in that survey, so when the report is published early next year, we will have a much better idea about what is being provided and what difference it is making. That report will add to the evidence that is already being collected by the Oxford Mindfulness Centre through its mindfulness and resilience in adolescence research project, as the hon. Member for Scunthorpe said, not to mention the APPG’s report, which I have had the opportunity to read.

Because schools need to decide what is best for their pupils, our approach is to support them by providing information, support, advice and guidance about the many options available to them. We have focused on four key areas of support: prevention, identification, early support and access to specialist help. The prevention strand covers a range of activities and programmes that raise awareness of mental health and emotional wellbeing and promote resilience. We want schools to have a whole school approach that makes talking about feelings and wellbeing normal for pupils as talking about their physical bodies. That might include lessons taught as part of the PSHE curriculum, whole-school programmes such as mindfulness that become a normal part of the school day, role play in drama lessons, or offering meditation or yoga sessions, which I know the hon. Gentleman is particularly keen on. I am a pilates man myself, but they both help mind as well as body.

Improving identification of potential problems, including increasing awareness of those who might be vulnerable to such problems, will help everyone to become more aware of the warning signs of a problem and help children and young people to become more confident about asking for help. Often, one of the biggest barriers is that they do not have that confidence.

Our voluntary and community sector grants programme has allowed us to support schools and teachers by working with the likes of the Anna Freud Centre and Place2Be, which develop really good programmes that enrich teachers’ knowledge, promote mental health education throughout the whole school and offer targeted support for those who need it. Teachers’ knowledge of mental health is supported through resources such as the excellent MindEd, which includes a module on mindfulness, and by funding new and existing projects such as MindEd for Families and the YoungMinds helpline for parents, we have been able to help to support identification outside school settings. One of the difficulties is that some problems are trapped away from the school, and that work is about how we manage to bring them to the surface by making children feel confident that even in the family setting, there is help for them should they need it.

When problems occur, early support can help to prevent them from getting worse. Schools and colleges have put in place a range of practices that are effective, such as having a named adult whom young people know they can turn to, or providing access to a school counsellor, as most schools already do. Many young people also want the option of talking safely to their peers about their concerns, so we are looking at what is involved in creating and running a good peer support programme. I was delighted that nearly 2,000 young people responded to our call for evidence, ensuring that their voices will be at the heart of what happens next, and we will publish our findings in the autumn.

However, there are still many circumstances in which despite all our best efforts, children and young people need to access specialist mental health support. To help improve joint working between education and health professionals, we have been part of a £3 million pilot with NHS England over the past year that has provided joint training to staff and tested how having a single point of contact in schools and child and adolescent mental health services can improve referrals to specialist services. The outcomes of that pilot are being independently evaluated, and we are looking at how we can share that learning and best practice so that more children can benefit from similar bespoke support.

Although mindfulness is only one way of addressing the stresses and strains of modern life, it is becoming more widely known and used, and I am sure more widely appreciated. Its definition, which is set out in the APPG report—“paying attention to what’s happening in the present moment in the mind, body and external environment, with an attitude of curiosity and kindness”—is one that we should all heed when bouncing blindly from one day to the next. That is why I welcome the
As the evidence base grows and best practice becomes better known, mindfulness has the potential to play an important role in providing children and young people with the mental and emotional resilience that they need to fulfil their potential. That, I think, is what they call optimistic thinking.

Question put and agreed to.

Resolved,

That this House has considered mindfulness in schools.
in GCSE and A-level results. What has stayed the same, though, is the clear gap between boys and girls, and in some areas such as higher education the gap is increasing. At key stage 2—in old money that is 11-year-olds—the pass rate gap is six percentage points and boys are often already behind on entering primary school. For five GCSEs including English and maths in England, the gap is now nine percentage points and in my county of Lincolnshire it is 10 percentage points. The gap at 16 years of age in Wales is 7.5%, in Scotland 7% and in Northern Ireland 7.3%. For the English baccalaureate the gap is just under 10%.

As we move further through the education system, at A-level the average grade for a boy is C and for a girl is C-plus, albeit a higher percentage of boys achieve three A's or A*'s than girls. In terms of higher education, fewer boys go to university, due to lower attainment in earlier school or college years—60,000 fewer in 2015, and there is a gap of more than 460,000 over the last 10 years. Results at university also show that boys will achieve lower grades and are more likely to drop out. Two thirds of all courses now have more women than men on them.

As we all know and see every day in our constituencies, while facts are one thing, it is the actual impact on the lives of individuals and their families that matters. The gap affects our community, our businesses and our ability to compete as a nation. I see its impact when driving around certain areas in the daytime and I see young men hanging around when they should be in work, on an apprenticeship or at university or college.

Mr Gregory Campbell (East Londonderry) (DUP): With reference to the impact on the hon. Gentleman’s constituency and all our constituencies, in some instances—in Northern Ireland, for example—targeted interventions have taken place. In particular, in literacy and numeracy we had a programme over two years that seemed to get to the nub of the problem. Unfortunately it did not go far enough and there was not enough money spent on it, but that was a good targeted intervention and we should look to projects like that for the future to try to address that problem.

Karl McCartney: I agree with my colleague, who makes a very good point, and it is something that I will cover later on in my speech. I am happy to take as many interventions as possible.

Most males who are not in education, employment or training are unemployed. For those men with no or low skills, that has an impact on their mental health, employment and predilection to commit crime. Those men constitute the largest group in our criminal justice system. When it comes to apprenticeships, there are now 30,000 more female apprentices, a trend and gap that has been in place for at least the past five years. After university, a lower percentage of male graduates will be in full-time work, a higher percentage will be unemployed and far fewer enter the professions. Nowadays, there are more women becoming doctors, vets, dentists, solicitors and teachers than men every year, which reflects the numbers taking related degrees. Twice as many women are now training to be a GP as men.

We can see that all played out when it comes to wages. According to the Office for National Statistics, on average men in full-time or part-time work under 29 years of age are paid less per hour on average than similarly aged women. That remarkable transition flies in the face of the shrill equal pay brigade, who while proclaiming the need for equality seem quietly to gloss over that fact when shouting from the rooftops with regard to equal pay. I want equal pay for those with equivalent experience and qualifications and skill levels regardless of their gender or age.

What is causing the gap—a gap that broadly was not there before the 1980s but which has been increasing since then? That has been an area of some contention, which may partly explain why so little investigation has so far taken place, because it is difficult to agree or find solutions if there is no agreement on what is causing the problem. In essence there are a number of themes.

The first is that boys develop more slowly in their teen years than girls, so boys and girls are not at the same natural development level, even when they are the same age. Many of us long ago accepted that boys and girls are different. The second is around social attitudes and background. There is some evidence that boys have less positive attitudes towards education than girls have, and that they receive less support at home. The role of fathers and/or role models is seen as vital to instilling in their sons the importance of education.

William Wragg (Hazel Grove) (Con): On that note of support at home, does my hon. Friend agree that one of the issues is with parents’ confidence in their own literacy? Reading to their children can be quite intimidating if their own standards of literacy are poor. Is it not therefore necessary for the Government to focus on that area to address the early years?

Karl McCartney: My colleague from Hazel Grove makes a very good point.

Perhaps longer working hours and one-parent families where the father is not the primary carer are also an issue. The economy has changed, so the value of job opportunities in masculine-type work, such as in heavy industry, has changed, or such jobs are not as available as they once were.

Another theme is whether the education system is boy-friendly. I believe that the educational system, schools and the sector as a whole are not focused enough on supporting boys. That could be because schools lack understanding about boys and what makes them tick. Practical education, a level of freedom to think and act for themselves, clear goal-setting, career and subject choice support, all within a clear disciplinary framework, are needed, as is an environment that nurtures and celebrates, and does not denigrate, masculinity. The situation is exacerbated by a lack of male teachers and role models in schools. If boys see only women in schools, in whatever roles, that reinforces their view that education is just for girls.

I and others have noticed that the majority of pictures in the national papers recently—each year, it seems—were just of girls celebrating their exam success, not boys and girls, which perhaps sends a subliminal message to boys that education and success are a girl issue and not for them.

David Rutley (Macclesfield) (Con): I congratulate my hon. Friend on securing this important debate. Does he not agree that one of the key things for young men in particular is motivation and aspiration? I note that a few years ago Ofsted said in a report that,
“a third of the schools failed to provide sufficient opportunities for students to engage directly with local businesses.”

Does he not think that if we get more businesses to provide role models and experiences for young men, they are more likely to get motivated about opportunities and then focus more on their studies to help them to achieve those goals and aspirations?

Karl McCartney: Indeed, I entirely agree with my hon. Friend. I point him in the direction of what is now Career Ready—it was formerly Career Academies UK. I helped to set up a Career Ready in my constituency. It is very much a London-and-south-east-centric charity, but I believe it needs to be rolled out across the country.

Perhaps the education sector shies away from any focus on boys because it is not politically correct. Certainly, there is deafening silence from the education trade unions and others. There would be no silence if the genders were reversed—of that I am sure. Also, the move from all-or-nothing exams to continual assessment at GCSE has been seen as favouring a female way of learning, albeit with the recent changes swinging the pendulum slightly back towards a level playing field.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I think this debate is very important and much needed, coming from an area that is still reliant on heavy industry—although there have been setbacks in the last couple of years, whether that be the steel sector or indeed potash mining or the chemical industry. What is of real concern, particularly for young men who seek skills-based training for employment, is the Brexit vote. As the hon. Gentleman will be aware, my area of Teeside and east Durham was one of the primary areas of European social fund and European development fund funding for sector-specific training in industry, which primarily benefited young men who needed skills training to enter heavy industrial work.

Karl McCartney: The hon. Gentleman from the Opposition, who is my friend, makes a valid point from his point of view, but I would counter that I see Brexit as much more positive than perhaps he does.

Mr Nigel Dodds (Belfast North) (DUP): I congratulate the hon. Gentleman on securing this important debate. It should be remembered that this problem has arisen while we have been in the EU, not as the result of any prospect of leaving. Does the hon. Gentleman agree with the initiatives that have been undertaken in the Greater Shankill area in my constituency, which is one of the most deprived areas, suffered a lot during the troubles and has a lot of educational underachievement among young boys? One of the things we have done is to create a children and young people’s zone, which brings together educationalists, school teachers, community activists and agencies of Government to work together with children from the earliest age to try to tackle this particular issue.

Karl McCartney: I agree with the right hon. Gentleman. I thank him for making a good point, to which we should all pay attention. As I was saying, the pendulum has slightly swung back towards a level playing field and it will be interesting to see whether that makes any difference to the gender educational gap over the next few years.

Lastly, there is something else at play around the 16 to 18 age range regarding the welfare system, especially for low or no-income families: the effect on young men who may be reluctant to take up an apprenticeship because their families will lose their child benefits and it will affect their working tax credit. Some families do not want their sons or daughters to take up apprenticeships. That is an issue encountered by a well-respected and successful training provider in Lincolnshire called Lagat, which has made me aware of examples of opportunities being denied to young people of both genders because their families do not wish to be disadvantaged financially. My colleagues in Government need to take heed and act positively to ensure that this penalty is removed quickly.

Two things strike me about this issue. First, there is not a wholesale body of research or agreement on the causes, and it seems that the educational sector is not focused on the issue at all. That is despite the valuable work by pressure groups, charities and think tanks, and from organisations such as the Higher Education Policy Institute—particularly its “Report 84”, authored by Nick Hillman and Nicholas Robinson, with a foreword by Mary Curnock Cook, which I recommend to anyone who is interested in the issue. Other organisations doing good research on the matter include Save the Children, the boys reading commission, which is part of the National Literacy Trust, the Sutton Trust, the Social Mobility Commission and many others.

Secondly, there does not seem to be agreement on what causes the gender educational gap, which makes it far harder to decide what to do to address the problem positively. I have set out the statistics, impacts and the broad debate on the causes, but what are the solutions? We know that the limited number—if there are any—of solutions that have been implemented are not working, because the gap is not closing.

The first theme is to encourage and instil in the minds of parents and sons that a good education is to their benefit, and to reinstate a sense of aspiration, pride and understanding. As Steve Biddulph’s books on parenting show, parents need to step up to the plate too, to ensure that boys are inspired and given opportunities to excel and aspire to do as well as their fellow female pupils at all ages. Using practical examples, case studies, mentors, destination data, inspirational people from the local community, the National Citizen Service and other such methods will surely have a positive effect as quickly as possible. We have to provide clear reasons for boys to go to school and college and to concentrate and work hard while they are there. We need to communicate with parents to ensure that through the interaction they are offered they support boys every step of the way.

The fact that girls from low and no-income families still do better in educational attainment means that parental attitudes are not the only issue at play in this arena. The educational sector at a national and local level has to, and can, do more. There are certainly schemes that form part of university access agreements to persuade more boys to go to university. That is no criticism of universities, which need more boys to achieve the grades to be able to go, stay and not drop out. I believe, as do many others such as Mary Curnock Cook, chief executive of UCAS, that we need more
male teachers in schools at every level. Fewer than one in six primary school teachers are male, with fewer than two in five at secondary level. That ratio is not improving on an equality level. That cannot go on, and I am confident it is one of the main causes of boys being behind their female classmates.

4.44 pm
Sitting suspended for Divisions in the House.

5.10 pm
On resuming—

**Karl McCartney**: I will continue where I left off. We also need schools to rethink everything they do to ensure that it is boy-friendly and not just girl-friendly.

The third theme is to be positive about masculinity in schools. Boys need outlets for their creativity, energy and natural instincts. They need to know it is okay to be masculine, and that masculinity is the equal of femininity. It is a positive thing to like cars, engines, building sites, getting your hands dirty and playing sport. It is also a positive thing to like dancing, painting, sculpture, acting and writing plays, but we must not shy away, at any level, from celebrating what traditional male or masculine roles are; they are what we as males were born to do. It may also surprise some ladies that some males can multitask. Some of us can cook, wash, sew and manipulate a Dyson without instruction and make a damn good job of it.

**Patricia Gibson** (North Ayrshire and Arran) (SNP) rose—

**Karl McCartney**: I will give way to the hon. Lady, who might have some personal experience of my skills with a Dyson.

**Patricia Gibson**: I assure the hon. Gentleman that I am not going to pick up on those particular points. Those in the room expressed their views on that for themselves. Given what the hon. Gentleman said about masculinity, what would he say to international research on 1.5 million 15-year-olds, across a range of countries around the globe, which shows that girls do better than boys even in those countries where girls’ rights are severely limited and gender equality is appalling, such as Qatar and Jordan?

**Karl McCartney**: Those are some of the points that we will discuss today—and might well do in the future, as the Chairman has indicated—so I thank the hon. Lady for her point.

We also like to compete at Scrabble, cards, Jenga, football, rugby, cricket, hockey and whatever else we might have the opportunity to engage in, and there is nothing wrong with that. I fear the over-feminisation of our education system has, and is, turning boys off education. We need to nurture men and play to their strengths. Boys want to be young men, and young men want to be grown men; that should be seen as a positive. Some say grammar schools could be the answer and they may be for some, but we need all schools to be successful.

**Jim Shannon** (Strangford) (DUP): I just want to put this on the record. In Northern Ireland only 19.7% of young Protestant boys actually achieve five or more GCSEs. That is an indication of the many per cent who do not achieve that. Does the hon. Gentleman agree that there is a need for vocational courses with on-the-job training, and that they must be available at all large schools to enable those who do not have the academic ability to forge ahead vocationally?

**Karl McCartney**: I thank the hon. Gentleman from Northern Ireland, who never fails to make a good point in debates in Westminster Hall.

Bringing back secondary moderns for those who do not go to grammar schools and ensuring they attain the same results would cost a fortune, and may not be attainable in the short, or long, run. So any moves on this policy need to be well thought out. No one, whatever their gender or background, deserves to be left behind.

If I am anything, I am someone who believes in striving for a utopian, completely level playing field in life’s chances; but I am a realist and I know that such a dream can never be. I will do my best to ensure that our young people realise that, as my maternal grandma said to me and my younger brothers on more than one occasion, “No one can ever take your education away from you.” She wanted us to work hard at school and go on to college or university and it is only through the second, and perhaps third, chances that I have been granted, mainly through her sacrifices and those of my grandad and parents, that I was able to achieve what I have. That is why I am honoured and privileged to stand in this place in front of hon. Members today as one of the 650 Members of Parliament who have been elected to represent their fellow countrywomen and men of all ages and levels of educational attainment.

Additionally, I believe we should also have three-year, five-year or seven-year apprenticeships equivalent to degrees but that are vocational for those who are non-academically minded. Those should of course be available to girls as well as to boys, but we need to think differently; it works in countries like Germany, so why not here? University is not for everyone, and certainly with an increase in participation rates from circa 5% in the early ’80s to 30% in the early ’90s and 47% now, it should not mean it is automatically the primary option for young people. The Labour con of the late 1990s to keep youth unemployment figures low is not a good reason to increase university attendance and participation, although I believe that wanting to win in a global economic race with a well-experienced, well educated and motivated workforce across the myriad economic sectors is.

I find it odd that although we are all promoting more women to be engineers and scientists, there are no such reciprocal schemes for boys. Given the lack of young men now entering the professions, where are the schemes for young men enticing them to apply themselves and to enter professions where they are now underrepresented, such as teaching, medicine, law, psychology and a raft of other subjects and specialisms?

My final theme is about focus and political leadership. There has been precious little attention and focus from the Department for Education, or anyone else in Government and Whitehall for that matter, in terms of recognition, policy and action on this issue. Given that this pattern has emerged and then become embedded
for three decades, it is for Governments of all shades, including the last Labour Government, to hang their heads in shame and hold their hands up in acknowledgment that they missed a trick and seek redemption.

I am almost certain that if the genders were reversed this current situation would not exist. Indeed, for more than 20 years copious amounts of taxpayers’ money have been successfully spent on encouraging female applications for STEM subjects and a plethora of degree subjects, college courses and, in more recent years, apprenticeships. That is all to be welcomed, but where has the focus and investment been for boys? I also looked at what focus there was from the Government Equalities Office, the Equality and Human Rights Commission and the educational trade unions; little, if anything, was the result of such fruitless searches.

In conclusion, this subject is not going to go away. We cannot wait any longer for more generations of boys to fall behind girls educationally. That is why I believe the Government need to set up an implementation taskforce, as they have on so many other important policy areas. This is exactly such a policy area. The Government have rightly given much focus, policy and leadership on matters such as the lack of women on boards and the gender pay gap. There is an unarguable case that the Government should give the same level of focus, policy and leadership on the gender education gap as they have on those worthy issues that have received much media and BBC coverage in recent politically correct years.

The Department for Education and Ofsted need to step up to the plate and ensure that schools, whether run through local education authorities or as academies and free schools, are boy-friendly. The gender education gap is a very serious matter affecting boys, their families, communities, businesses and our country as a whole. It is a one nation issue, a fairness issue, an equality issue and an issue that has been ignored for far too long. Our boys’ underperformance at school deserves national attention and action. They, their teachers, parents, we as their Members of Parliament, and our nation should expect nothing less.

Several hon. Members rose—

Mr Charles Walker (in the Chair): We have 23 minutes before the wind-ups. Colleagues, look at how many people are standing; try to do three minutes each.

5.17 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I apologise for being brusque. I would like to challenge the assertion made by the hon. Member for Lincoln (Karl McCartney) that educational attainment is about gender: it is about social class and it is about the white ‘working-class social class.

To quote the educational warrior Sir Michael Wilshaw from a speech in 2013 on his report “Unseen children: educational access and achievement 20 years on”:

“Let me emphasise, this is not a gender issue. Poor, low-income White British girls do very badly. So we should stop talking about ‘white working class boys’ as if they are the only challenge.”

Indeed, while boys receiving free school meals are consistently the lowest-performing overall group at GCSE level, white girls receiving free school meals are consistently the next lowest-achieving group of girls. The attainment gap between children receiving free school meals and those who are not is evident even before a child reaches the age of four. The pattern continues throughout a child’s life. Only 32% of white working-class British students receiving free school meals achieved the GCSE benchmark last year. That is compared with 44% of mixed race students, 59% of Bangladeshi students, 42% of black Caribbean students and 47% of Pakistani students—all receiving free school meals. This is because the educational attainment of white working-class students of both genders has improved much more slowly than that of almost any other ethnic group over the past 10 years.

Optimistically, there is a world of difference between the performance of white working-class students in inadequate and in outstanding schools. What works for all, works even more with working-class students. I will just take the Harris Academies in south London. Last year, about 56% of white British students nationwide secured five A* to C GCSEs including English and maths, but at Harris Academy Greenwich 60% of white British students secured those grades. Just five years ago, the school was under special measures—not now. Under the excellent leadership of a strong principal, George McMillan, the school has undertaken an unimaginable transformation. Harris Academy Falconwood, just a mile away, has a staggering 73% of white British students securing those grades. Yet again, the rate of success at that school is incredible. In 2008 only 17% of its students achieved those grades, but under the leadership of the female principal Terrie Askew, the school is now judged “outstanding” by Ofsted.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): In the time allowed, my hon. Friend will probably not be able to go into what is making the difference at those academies, but if she is able to, I would really appreciate it.

Siobhain McDonagh: It is about doing more of what we know works for everybody else: more extra lessons, more tutorship and more assistance.

The two schools are very different and the gender of the head makes no difference; they are both excellent heads achieving excellent results for the white British, and therefore all other, students. It is about social class, and the sooner we recognise that and stand up and do something about it, the sooner we will make it better for everyone.

5.20 pm

Fiona Bruce (Congleton) (Con): One million children have no significant contact with their fathers. Research recently cited by the Department for Work and Pensions says that children with highly involved dads do better at school, have higher self-esteem and are less likely to get into trouble in adolescence. If we say that male role models as teachers are important, how much more so for boys at father role models? Addressing family stability is critical and this is a social justice issue too, because in lower-income families there are far greater levels of family breakdown. We need to address that and to support them.

The Institute for Public Policy Research produced a report entitled “A long division”, which found that only about 20% of variability in pupils’ achievements is
attributable to school-level factors. About 80% is attributable to pupil-level factors and particularly family influence. The IPPR says:

"Even if every school in the country was outstanding there would still be a substantial difference in performance".

We need to help families strengthen, so that we can help these children and boys.

Here are some solutions, very quickly. First, the Government need to appoint a fatherhood champion. Secondly, they need to set up a fatherhood taskforce, perhaps mirroring the taskforce that my hon. Friend the Member for Lincoln (Karl McCartney) suggested, to develop a distinctive set of policies aimed at encouraging father engagement. Thirdly, all new fathers should be offered and encouraged to attend parenting classes. At present the majority who attend are from affluent families who say that they learn a little. A minority are from low-income families but when they do attend, they say they learn a lot.

Mrs Helen Grant (Maidstone and The Weald) (Con): We also know that a disproportionately high number of black boys are excluded from school. Does my hon. Friend agree that there needs to be a much greater understanding of the barriers and hurdles that these boys have to face, both inside and outside school, such as racism and, as she said, the absence of fathers?

Fiona Bruce: I do. There is much evidence to show that parental involvement and support, even for the most disadvantaged children, can translate into good educational outcomes. Children from poor families where there is a strong commitment to learning achieve better results. For example, 69% of Chinese boys from low-income families gained five or more GCSEs at grades A* to C compared with just 17% of boys from white working-class backgrounds. Interestingly, the number is very similar for those from black Caribbean backgrounds, where again there is a high level of father absence.

To conclude the solutions, fourthly, every community should have a family hub. As chair of the all-party group on children's centres, I recently published a report on that issue and I ask the Minister to look at it. I am talking about a place where every family can go to get help, to strengthen their family lives before they perhaps become troubled families or before a marriage begins to disintegrate completely, or to get help with a troubled teenager.

Fifthly, any efforts to regenerate the 100 worst sink estates in the UK should put family and relationship support at the heart of those new developments. Regeneration of the estates needs to go far beyond bricks and mortar if lives are to be transformed, and a healthy relationships fund should be properly resourced to ensure that parenting, couple relationship and family support programmes are included in the master planning processes, not just for this, but for the other Government initiatives such as troubled families, children's mental health and parenting. They need to include a specific focus on the couple relationship and on strengthening the whole family to ensure that the additional benefits of family stability are reaped by these young boys.

5.27 pm

Graham Evans (Weaver Vale) (Con): It is a pleasure to serve under your chairmanship, Mr Walker. I pay tribute to my hon. Friend the Member for Lincoln (Karl McCartney), and it is a pleasure to follow the hon. Member for Bradford South (Judith Cummins).
I would like to bring a different view to this debate. Although we have been talking about cities and inner cities, I represent a shire county, a rural area in west Cheshire. First of all, I declare an interest in that I am a white working-class poor boy. I left school at 16 with no qualifications and I was written off for low-paid employment, exactly as the hon. Lady talked about. I am also a governor of a school in my constituency. I feel passionate about helping poor, working-class people of any gender to succeed in life. I also have two boys and a little girl at state school.

The north-west is underperforming compared with the national average—71% of girls achieved five GCSEs at A* to C compared with 59% of boys. That is a gender gap of 12%. In my constituency, it is even worse—it is 15%. The total university applications from Scotland, Northern Ireland and Wales are an equivalent number to the gender gap, so this is a massive issue for those of us in England.

White working-class boys are far less likely to go to university than any other group in the country and I say to the Minister that “coasting” schools in shire counties such as Cheshire have been an absolute scandal over many years. Some progress has been made by previous Governments—Labour Governments—in inner cities, certainly in London, but those of us representing shire counties in the north of England, for example, have been badly let down.

I am keen to allow other people to speak so I just ask the Minister to look at “coasting” local authority schools and schools generally in the northern shire counties to see what can be done to make sure that working-class boys, currently and in future, get the best opportunities available to them in a new globalised economy.

Yasmin Qureshi (Bolton South East) (Lab): I just want to make a few quick points. I think it is well accepted that working-class children generally do less well in school, in university and later in professions. We have recently learned that boys are performing worse than girls, especially at a young age, which is concerning. It is a well-known fact that if someone’s linguistic skills are good, and if they have started learning those skills from a young age, they will inevitably perform far better at school and go on to university or an apprenticeship and get a good job.

My constituency is very much white working-class. I have particular concerns because only 71% of children under the age of five in my constituency achieve the expected standard of speech and language skills, which is well below the national average of 80%. There is also evidence of a significant gap between boys and girls. In fact, only 65% of boys are achieving the expected level, as opposed to 78% of young girls. That is a major gap, so it is right that we are debating the need to address the concerns about young boys. In Bolton, 290 five-year-old boys were already behind when they started school recently. If they had performed as well as the girls, 109 more would have met the expected standard.

We need to address the problem. I think everybody understands it and is aware of the issues, but what is the way forward? How do we address the inadequacies and problems? One way is to have more intervention in the early years. I am not trying to make a party political point, but Sure Start centres are a great way of helping a lot of young children from working-class backgrounds to get their linguistic skills up and perform better in school. We should have specialist early learning teachers in nurseries to impart skills and help young children. We also need to spend money on working with families to help them to educate their children within the home.

Some of the social issues that accompany this topic are important, and I agree with my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) said, as I entirely agree with her. In some respects, she could quite easily have been talking about some parts of my constituency.

I ask the Government for extra funding targeted at junior schools, primary schools, nurseries, and the families and parents of young people who have difficulties and issues. If we identify and target all aspects of the issue, young boys and girls should be able to do well and achieve their full potential.
The same “lost boys” to whom the excellent Save the Children report refers then become lost young men in the criminal justice system—in the prison population, or joining gangs or committing knife crime—and it is harder and harder for them to get back on track and turn their lives around. Although it may be uncomfortable, we need to shine a light on the causes of that. All too often, it is a cycle of underachievement. The men in those boys’ lives may have had a bad experience of school, which they have then passed on to their children.

There is a culture of low aspiration and a pattern of cultural isolation, and young people find it difficult to break out of the world into which they are born or to see the limits beyond the horizons that have been set for them. While we in this place may get distracted by focusing on alternative school structures, curriculum content and mandatory personal, social, health and economic education, we must not forget those boys in Telford, those boys on free school meals or those boys in care.

At the core of what the Government must do is continuing to drive up standards in every school, creating opportunities for every child so that no one is left behind. In calling for the debate, my hon. Friend the Member for Lincoln has taken the opportunity to make that point loud and clear. On behalf of the boys in my constituency who are struggling to achieve their potential, I thank him.

Mr Charles Walker (in the Chair): I will call Patricia Gibson to speak for two and a half minutes, and then Flick Drummond. If the Front-Bench spokespeople lose a couple of minutes, I hope they can live with that.

Patricia Gibson (North Ayrshire and Arran) (SNP): Unlike the hon. Member for Lincoln (Karl McCartney), to whom I express my thanks for securing the debate, I do not believe that this is a one nation issue. It is a global issue, and we need to broaden the debate so that we can learn lessons from countries as far away as necessary.

From 2000 to 2010, psychologists at the universities of Glasgow and Missouri looked at the educational achievements of 1.5 million 15-year-olds from around the world using the programme for international student assessment. They found that girls do better at school even in countries where women’s liberties are severely restricted. Girls outperform boys in maths and reading in 70% of countries, regardless of gender equality. Even in countries such as Qatar, which is infamous for its lack of gender awareness, the girls still outstrip the boys in educational performance.

There were only three regions in the world where boys outperformed girls. Bizarrely, those places were Colombia, Costa Rica and the Indian state of Himachal Pradesh. We should look at those places and see what they are doing that we are not. The better performance of girls than boys happens regardless of high or low levels of social, political and economic inequality, and there is no significant difference between performance in the United Kingdom and the United States. We need to look at such things if we want to address the issue seriously.

In Scotland, we have taken steps to try to address the issue, but clearly the causes are fundamental and deep-rooted. We need to address it on an international basis and learn from one another. No child should be held back by their background or gender. We need a serious debate about what is going on globally, and we need to tackle the issue with a more holistic approach than just looking at counties and constituencies. It is far more deep-rooted than that.

5.38 pm

Mrs Flick Drummond (Portsmouth South) (Con): Thank you for allowing me to speak, Mr Walker. I will be as fast as I can. I thank my hon. Friend the Member for Lincoln (Karl McCartney) for securing this important debate.

It is disappointing that the gender gap starts before children go to school and goes all the way through to university. In 2014-15, 56% of all British students were female, which represents a major reversal over the past three decades and corrects centuries of male domination. I am not saying that female domination is a bad thing. I do not have a problem with women ruling the world for the next few centuries as men have done in the past, but I think we are prepared to be more equal.

What to do? We need to stop the blame culture in which higher education blames secondary schools and secondary schools blame primary schools, which in turn blame early years and the parents. We need to look at education as a whole, which is why I am so pleased that higher education is back in the Department for Education.

In Portsmouth South, 73% of boys met the standard for language development last year, compared with 87% of girls. Falling behind at the early stage puts children at a disadvantage, so interventions need to be put in place early. Language begins as soon as children are born, and I would like to see every pram and pushchair designed with the child facing the parent so that they can be talked to. Good childcare is crucial and needs to be well funded. Get it right at that stage and money will be saved in the future.

Boys and girls have the capacity to learn exactly the same subjects. There should be no difference in what girls and boys learn, but there is a difference in how they learn. According to the OECD report, boys are 8% more likely to regard school as a waste of time. Boys learn in short phases and need more breaks. They need to be able to move around more than girls. Thirty-five minutes has been identified as the best length of lesson for boys, so they need short, specific, focused activities. More sport is needed in schools.

Some very good schools have embraced pedagogy with a range of teaching approaches. Using different intervention strategies is proving effective, and good practice needs to be widespread. Each teacher will have a different style, and I am glad that the Government are encouraging teachers to develop their own style rather than forcing them to teach in a particular way. Literacy strategies should include a holistic approach to reading, writing, speaking and listening as an integrated whole. Children also need to be competitive. Target setting and mentoring are crucial. The Portsmouth education business partnership is proving incredibly effective in working with pupils one to one.
Lastly, children need to be challenged and praised. Many boys appear to be full of confidence but are not. Bad behaviour is often a cover for a fear of failure. Good teachers will adjust their attitude to encourage boys to get more involved in activities. I think this is a temporary blip, but we need to work hard quickly to ensure that no boy is left behind.

Mr Charles Walker (in the Chair): I thank the hon. Member for Mid Worcestershire (Nigel Huddleston) for his selflessness. Everyone in Westminster Hall owes him a great debt of gratitude. I ask the Opposition Front-Bench spokespeople to be brief and to leave the Minister nine minutes at the end.

5.41 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Walker. I congratulate the hon. Member for Lincoln (Karl McCartney) on securing this important debate. I do not intend to mention every Member who has spoken, but I will mention a few of the good ideas that have come out of this debate. I will do so as quickly as possible to give the Minister plenty of time to respond.

The hon. Member for Lincoln was right when he listed why boys’ attainment is less than that of girls, but he should temper what he is saying. It almost came out as boys versus girls, which should never be the case. As other Members have said, we should be encouraging attainment for all in schools. We need to move this forward.

I specifically commend my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston) for her international outlook. I was astonished to hear some of her statistics and research, because there is not only a problem in the UK, in England and Wales or just in Scotland; there is a problem across the world. All education systems should look at what is happening elsewhere to seek improvement and to raise attainment.

I have a focus in this debate because I was the first woman in my family to go to university. I went to university in 1967, when young working-class women just did not do that. I was fortunate.

Mr Charles Walker (in the Chair): I thank the hon. Member for Lincoln for securing this debate on Boys Educational Performance: Boys. I will try to be brief. I thank the hon. Member for Lincoln for securing this debate on such an important topic. I will resist going where I was tempted to go with some of the comments that he made. As a white working-class girl, I would not want to stamp down a white working-class boy; we have to show solidarity.

Equality issues affect those from many backgrounds, but I will focus on what I believe to be the elephant in the room, which many Members have raised—class. Class is much more of a determining factor in this debate than gender, and it affects the issue disproportionately. I agree fully with the comments made by my hon. Friend the Member for Mitcham and Morden (Siobbhain McDonagh). All children have the right to a good-quality free education. All of us in this Chamber can agree on that.

I refer back to the comments made by the hon. Member for Congleton (Fiona Bruce). Although I agree that fatherhood is important to the issue, healthy relationships are also important. That is why the Opposition want the Government to do more to equip young people by offering age-appropriate resilience and relationships education in all schools. Although boys from prosperous backgrounds dominate the very top of the attainment scale, there is growing concern about boys performing poorly overall at school compared with girls. I thank the hon. Member for Lincoln for sharing with us his story about his gran. He and I also have that in common: I had a strong gran who pushed me forward.

Boys are more likely to have the worst results, drop out and leave education unskilled and poorly qualified, as the hon. Gentleman eloquently said. Some 38% of boys eligible for free school meals fall behind in early language and communication. That is nearly double the national average of 20%. In our increasingly unequal society, it is not surprising that class is still such a massive barrier to education attainment. I am pleased that the hon. Gentleman agrees—other hon. Members alluded to it—that grammar schools are not the answer to the problem. We need to raise standards across the spectrum of schools.

I was moved by what the hon. Member for Weaver Vale (Graham Evans) said as well. I did not know his back story, but I am pleased that he shared with us his own experiences as a white working-class boy. Like him, I fought tooth and nail to get where I am today, and I had key social levers to help me that have now been, sadly, asset-stripped away by this Government.

Many hon. Members, including my hon. Friend the Member for Bolton South East (Yasmin Qureshi) and the hon. Member for Telford (Lucy Allan), spoke at length about the importance of early years, which is absolutely right. I focus in my closing remarks on asking what the Government will do to invest in good through. That is where this debate should lead us. We should be considering how to improve children’s education and life chances, because that is what we all want. We all want everyone to be educated, in the true sense; that is, we want what they have inside to be drawn out and used to the advantage of us all.

5.56 pm

Angela Rayner (Ashton-under-Lyne) (Lab): It is a pleasure to serve under your chairmanship, Mr Walker. I will try to be brief. I thank the hon. Member for Lincoln (Karl McCartney) for securing this debate on such an important topic. I will resist going where I was tempted to go with some of the comments that he made. As a white working-class girl, I would not want to stamp down a white working-class boy; we have to show solidarity.

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early years education, because it is not happening at the moment; the funding is being cut. We know that funding from central Government is important in early-years intervention services, and that the cuts will have a massive impact on boys and girls from working-class backgrounds. What steps will the Government take to raise the aspirations and self-belief of students from poorer backgrounds, particularly boys?

Mr Charles Walker (in the Chair): Minister of State, you have ample time to answer the debate: more than 10 minutes.

5.59 pm

The Minister for Schools (Mr Nick Gibb): Well, let me get on with it, Mr Walker. It is a pleasure to serve under your chairmanship.

I congratulate my hon. Friend the Member for Lincoln (Karl McCartney) on securing this important debate. It has been an excellent and pacy debate, with excellent speeches on both sides of the Chamber, particularly the passionate speech, based on personal experience, of my hon. Friend the Member for Weaver Vale (Graham Evans), the thoughtful speeches of my hon. Friends the Members for Congleton (Fiona Bruce), for Telford (Lucy Allan) and for Portsmouth South (Mrs Drummond), and other speeches that I will refer to in a moment.

As my hon. Friend the Member for Lincoln and the hon. Member for Mitcham and Morden (Siobhain McDonagh) have so clearly set out, there are still far too many young people—boys and girls—who are held back by their background and circumstances and who leave school without the basic building blocks for a successful future. The Government are determined to tackle those issues. Tackling educational inequality means raising the bar, setting the highest expectations for all pupils at every stage and raising standards so that every school can deliver a world-class education.

We have already made enormous strides. More than 1.4 million more pupils are now being taught in schools judged good or outstanding by Ofsted than in 2010. Once again, this year’s A-level and GCSE results are testimony to the hard work of thousands of pupils and teachers. But while it is right that we celebrate those achievements, we must also recognise that there are groups of pupils for whom the chances of achieving good GCSEs and A-levels are simply too low.

Tackling the inequality driven by socio-economic background is a key priority for the Government, as is tackling the inequality driven by gender. Whichever way we read the data, they show that girls outperform boys at all educational stages in most areas of the curriculum. In 2015, there was a gap of nearly 16 percentage points between girls and boys judged to be achieving a good level of development at the end of the early years foundation stage: 74.3% for girls and 58.6% for boys. The gap persists at primary school in most, but not all, subjects.

In 2015, while boys’ and girls’ performance in mathematics was consistent—87% of boys and girls achieving level 4 or higher in the key stage 2 maths assessment—there was a significantly higher percentage of girls than boys achieved the expected standard in reading, writing and grammar, punctuation and spelling. In reading, writing and maths, 83% of all girls achieved at least the expected standard, compared with 77% of boys.

By the time pupils reach the end of key stage 4 at secondary school, the gender gap in attainment has increased. Girls outperform boys across all major curriculum subjects, although the size of the gap varies considerably by subject. For example, in 2015, girls only just outperformed boys in maths and individual sciences, but in English the gap was nearly 15 percentage points, and in the most commonly studied languages—French, German and Spanish—it was around 10 percentage points. Girls remain more likely than boys to be entered for the English baccalaureate: in 2015, more than 43% of girls studied the suite of English baccalaureate qualifying subjects, compared with 34% of boys. More girls than boys achieved it, too: 29% of girls, compared with around 19% of boys.

The cumulative impact of low prior attainment during primary and secondary school is likely to be one of the main factors influencing the slightly lower proportion of boys progressing to a sustained college or sixth form at 16 and the slightly higher likelihood that boys will be not in education, employment or training at the same age. In England, young women are 36% more likely to apply to university than young men; the difference in application rates between the two is the highest in the OECD— the reading ability of girls is higher than that of boys in every country.

On average across OECD countries, 15-year-old girls are around a year ahead of boys—38 PISA points. The size of that gap is narrower in England: our girls outperform boys by 24 PISA points. The gender gap in maths is reversed—boys do better—and is not as large: 11 PISA points, or four months of education, across the OECD. In fact, boys only scored significantly better than girls in 27 out of 65 countries, and the gender gap remains in favour of girls in Jordan, Qatar, Thailand, Malaysia and Iceland, as I think the hon. Lady referred to. The size of the gap is similar in England to the average across all OECD countries, which is 13 PISA points.

What are the drivers of boys’ under-achievement? I listened very carefully to the excellent speech of my hon. Friend the Member for Portsmouth South. While there is a plethora of data to show where and by how much girls do better than boys in education, there is only limited evidence that explains precisely why boys do not perform as well as girls. There is no shortage of theories, but many of them are not supported by robust research evidence. For example, it has been argued that boys naturally prefer examinations and girls prefer coursework, so boys may have been disadvantaged by the move from exam-based assessments to GCSEs, which place a greater emphasis on coursework. In fact, the attainment of girls at the end of secondary school was already improving before the introduction of GCSEs, and subsequent reductions in the weighting of the coursework component of GCSEs have had little impact on gender attainment patterns.

Another view, which my hon. Friend the Member for Lincoln referred to, is that the performance of boys is held back by the lack of male teachers in schools,
particularly during the primary phase. He is right to point out that there is a huge disparity in the numbers of men and women teaching in primary schools, but studies that have looked for correlation between teacher gender and pupil attainment have mostly found no relationship of improved attainment when boys are taught by male teachers—although that does not mean we do not want to address the imbalance in the gender of primary school teachers.

The research evidence does suggest that the behaviour and attitudes of boys and girls towards school and academic study tend to differ in a number of ways—my hon. Friend the Member for Portsmouth South referred to some of those. Pupil-level factors appear to play an important role in the gender attainment gap. We know that there are some schools in which pupil attainment is high and the gap between girls and boys is small or non-existent. Those schools tend to be characterised by a positive attitude to study, high expectations of all pupils, high-quality teaching and classroom management, and close tracking of individual pupils’ achievement.

As the hon. Member for Mitcham and Morden so passionately and ably pointed out, academies in the Harris Federation in her constituency are improving educational standards for pupils from poorer backgrounds because they adopt those attitudes to education. I have not yet seen evidence of the gap closing, because I do not have the data, but if the hon. Lady has them, or if I can get them from Dan Moynihan, it would be interesting to see the extent to which the Harris Federation’s approach to education is having an impact on the gender gap.

It is important not to generalise. It is simply not true that all boys do badly and that all girls do well. For example, white British girls who are eligible for free school meals generally do much worse than white British boys who are not. Indeed, there is clear evidence that poverty is a much bigger predictor of poor educational attainment than gender, as the shadow Education Secretary pointed out. While gender imposes a relatively consistent attainment gap across all ethnic groups, the impact is compounded significantly by deprivation. As the Prime Minister noted in her inaugural speech, the chances of going to university are extremely low for white working-class boys. In 2015, fewer than one in four white British boys eligible for free school meals achieved five A* to C grades at GCSE, including English and maths, compared with more than 56% of non-disadvantaged white British boys.

The question is: how are we tackling educational underachievement? The Government’s approach is to set high expectations for what all pupils will achieve by introducing an ambitious and stretching national curriculum and world-class qualifications. To deliver such reforms, we are building a school-led, self-improving education system, characterised by high levels of autonomy and strong accountability arrangements, through which the characteristics of high-performing schools, such as those referred to by the hon. Member for Mitcham and Morden, can be shared and embedded across the whole system.

We want all pupils to secure the basics in literacy and numeracy by the end of primary school, and we have set higher standards in those areas of the curriculum. We have embedded the teaching of phonics in key stage 1, which we know is the most effective way of teaching reading for all children, and we are providing catch-up funding to secondary schools to support those pupils who do not achieve the expected standard at 11. As a result, 120,000 more six-year-olds are on track to become fluent readers. Our introduction of the English baccalaureate sets a strong expectation that all pupils will receive a rigorous academic education that prepares them for adult life and success in our modern economy. We have made clear our aim that, by 2020, the vast majority of pupils, boys and girls alike, will take those facilitating subjects as part of a well-rounded education that opens the door to education and employment.

Our new performance accountability measures are also intended to drive up attainment across the board. Secondary school performance tables now report on pupils’ progress from the end of primary school to the end of secondary school, as well as their GCSE attainment. The new measures, known as progress 8 and attainment 8, will encourage schools to focus their attention on the progress and attainment of every pupil, not just those at or near the borderline of a particular performance threshold.

Looking beyond the curriculum, our commitment to character education seeks to ensure that all pupils develop the essential qualities of resilience, perseverance and self-control, all of which are critical for success in both education and adult life.

Angela Rayner: In the spirit of this debate, and bearing in mind what is happening in the media, does the Minister believe that grammar schools will help with his aspirations or make things harder?

Mr Gibb: The Prime Minister and the Secretary of State have been clear that we need to build a country that works for everyone. We are looking at a range of options to allow more children to go to a school that helps them to rise as far as their talents will take them. We will, of course, say more in due course, as policy is developed under the new Secretary of State.

Our vision for a self-improving school system is fast becoming a reality. Our growing network of teaching schools and multi-academy trusts is ensuring that institutions can collaborate and receive the support they need to raise standards. We are working hard to create a sustainable and diverse succession plan of high-quality school leaders and headteachers, and our expansion of the highly successful Teach First programme—

6.12 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Westminster Hall

Wednesday 7 September 2016

[SIR ROGER GALE in the Chair]

Psychosis: Early Intervention

9.30 am

Norman Lamb (North Norfolk) (LD): I beg to move, That this House has considered access and waiting time standards for early intervention in psychosis.

It is a pleasure to serve under your chairmanship, Sir Roger. May I welcome the Minister to her new role? I spent a great two and a half years in the Department of Health; it was the most invigorating time in my life. I wish her every success.

The debate is on something that I care a lot about: a new standard of access for people who suffer a first episode of psychosis, a cruel and punishing condition that can have a massive impact on people’s lives—incidentally, at enormous cost to statutory services. When I came into my role as Minister, I recognised that there was a complete inequality of access, standards and rights between those who suffer from mental ill health and those who suffer from physical health problems. That inequality of access has existed for many years. In the last decade, the Labour Government introduced comprehensive access standards in the NHS for physical health problems, and they were right to do so—the cancer standards that have transformed cancer care in this country are a leading example of those—but they left out mental health.

It is not just that individuals sometimes end up having to wait interminably for treatment in some parts of the country; that complete imbalance of rights between mental health and physical health drives where the money goes. There is enormous political interest in meeting those demanding access standards. The national media look at the four-hour A&E standard. Certainly for mental health, which is still funded primarily through block contracts, to feed the beast of those exacting standards in physical health sets the tone for the whole country against those access standards. That is critical. So what do clinical commissioning groups on access standards in physical health do? The centre for early intervention, because I totally agree. When I was Minister, we set up a taskforce to look at how we could modernise children’s mental health services. It published a report last March called “Future in mind,” the whole focus of which is on shifting fundamentally towards prevention: establishing wellbeing, particularly in schools, and intervening much earlier to stop deterioration ever happening. That approach is much more effective. It can help teenagers through difficult years as they grow up, but it also stops the enormous cost to the system later of neglecting those problems.

Psychosis costs the NHS £11.8 billion a year. That is a vast cost. Only 8% of people who suffer from psychosis are in work, so the cost of the illness to society is enormous. The evidence of the effectiveness of early intervention in psychosis is overwhelming. It is clear that if we intervene quickly, we can have an impact on that condition, stop it in its tracks and give sufferers the chance of a good life, which the rest of us take for granted. If we neglect the condition, those people will almost inevitably suffer lives on benefits and with difficult relationships, at—this is critical—enormous cost to the state. Analysis shows that if we invested £1 in services for early intervention in psychosis, the return on that investment over a 10-year period would be £15. We might ask, “What is the reason not to do that?” It is overwhelming common sense. It is both morally right and the economically sensible thing to do.

The first standard that we identified was a six-week standard for access to psychological therapies. That is part of the improving access to psychological therapies programme, a well-regarded, world-leading programme that does not do everything but has been a significant development. The other was a two-week standard to start treatment when someone suffers a first episode of psychosis. Those people are typically teenagers or perhaps in their 20s—that is the most common age—but such an episode could happen at any time in one’s life.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I thank the right hon. Gentleman for securing this important debate. Does he agree that although not everyone will suffer mental health problems in childhood, it is important that mental wellbeing is focused on in schools—both primary and secondary—to ensure that good mental health is promoted?

Norman Lamb: We should always be guided by clinical judgment. That is critical. The standard that was introduced was for people between the ages of 14 and 65, which gives a clue about the appropriate level. This condition could emerge during teenage years, but we know that 50% of adult mental health problems start by the age of 14, so getting in and addressing problems early is critical.

David Simpson (Upper Bann) (DUP): I congratulate the right hon. Gentleman on securing this very important debate. He has hit somewhat on the point that I was going to raise about early intervention. At what stage does he believe that we should deal with this condition? He talks about 18 or 20-year-olds, but should we go right back to primary or secondary school and deal with it in younger children?

Norman Lamb: I thank the hon. Lady for that intervention, because I totally agree. When I was Minister, we set up a taskforce to look at how we could modernise children’s mental health services. It published a report last March called “Future in mind,” the whole focus of which is on shifting fundamentally towards prevention: establishing wellbeing, particularly in schools, and intervening much earlier to stop deterioration ever happening. That approach is much more effective. It can help teenagers through difficult years as they grow up, but it also stops the enormous cost to the system later of neglecting those problems.

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Johnny Mercer (Plymouth, Moor View) (Con): I pay tribute from the Government Benches to the immense work that the right hon. Gentleman did in government, and to my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), who is no longer in his former position as Minister. Does the right hon. Gentleman agree that it is not acceptable to talk about parity of esteem unless that is matched by parity of provision and parity of funding so that those who suffer from mental ill health have the same provision as those who suffer from physical ill health? Parity of esteem means nothing to our constituents unless we actually deliver it.

Norman Lamb: I am grateful to the hon. Gentleman for his kind comments. I totally agree. There is an awful danger of a damaging gap emerging between the rhetoric and the reality. The coalition Government legislated for parity of esteem, so it is in the legislation that people should be treated equally, but unless the reality of people’s experience is that they are treated equally, the rhetoric is absolutely meaningless waffle and they lose trust in the Government. That is why I feel so passionately that we must do concrete things to make parity of esteem a reality for people, and that is an example of how we can make a difference to people’s lives.

The standard was announced in October 2014, to be implemented by April 2016—it had to be met by this year. Why is it so important? If we fail on that, we fail so many people whom we have the chance to help and surely it would be scandalous if the NHS neglected a standard accepted by Parliament and introduced by Government that we know makes a massive difference to people’s lives. It gives people the chance of a better life and surely the NHS is fundamentally about giving people the chance to have happy, good lives.

What has happened in that period? We undertook a comprehensive Freedom of Information Act survey—now that I am out of government, I have to rely on such surveys to find out what is going on—and the answers from clinical commissioning groups and mental health trusts are deeply troubling. On the key findings, first the overall conclusion is that the implementation of the standard is just fundamentally flawed. It has failed to deliver what we committed to. If the Minister, on advice from her officials, is tempted to refer to the nationally published data that suggest that the standard is being met, I would encourage her from doing so because the data are a fiction—we have established that through our work.

The first detailed finding is that there is a complete lack of robust commissioning in many parts of the country. The whole purpose of the commissioner-provider split, which of course is fairly controversial in the NHS, is that the commissioners hold the money and are there to design services for their community to meet the needs of that community, yet a third of CCGs could not identify how much funding had been allocated to early intervention in psychosis, stands up for them. The Government have to lead on that. More than one in three clinical commissioning groups could not provide an estimate of the number of people in their area in need of early intervention services, in spite of the national guidance that says that commissioning should be underpinned by estimates of the local incidence to ensure that services are designed to serve the needs in a particular locality fully. If CCGs have no idea because no work has been done to establish the need in that area, how on earth can they commission a service to meet that need?

Next, according to NHS England, the estimated annual cost of providing the full package of treatment is about £8,250 per patient per year. Only 60 CCGs in our study were able to estimate their investment at all and only 11 estimated that they will meet the NHS England guideline on the level of investment. The average investment per patient from those who were able to say was £5,199, but of course an average hides the fact that many are way below that level. To draw an analogy, that is like saying to a cancer patient, “Well, you can have the chemotherapy but we can’t afford the radiotherapy, so you’ll have to put up with what we can offer.” Of course, we would never allow that to happen—the Daily Mail and many others would be up in arms, and they should be about this issue as well because the situation is exactly the same.

On age, which the hon. Member for Upper Bann (David Simpson) raised earlier, as I said in response to his intervention, the access standard is to provide the service to people between the ages of 14 and 65, in line, I should say, with guidelines from the National Institute for Health and Care Excellence, which has done the work and provided the evidence-based guidance. Almost a quarter of trusts—23%—commission services only up to the age of 35, including my own county of Norfolk. How on earth can trusts justify anyone over the age of 35 not getting access to a service that we have deemed it appropriate to provide to people across the country? They are just ignoring the guidelines that seems to me to be completely unacceptable. That totally conflicts with the clinical commissioning groups’ responsibility. Out of the 39 CCGs which commission
Johnny Mercer: Does the right hon. Gentleman agree that it is not good enough simply to understand an experience—because it affects someone close to us—when it is part of day-to-day life for the most vulnerable people? In Plymouth we have someone who is intimately involved in the system, and whose daughter is involved in the system, and who really gets mental health. However, it is not good enough in this place just to understand something because it happens to someone close to us. The vulnerable often do not have a voice, and we have to work harder. As the right hon. Gentleman is saying, it is not good enough to push the statistics away.

Norman Lamb: I totally agree. Everyone across the country who suffers this damaging, tragic illness has a right, surely, in anything that amounts to a national health service, to get good evidence-based treatment on a timely basis; but, tragically, that is not happening. I appreciate and welcome the fact that the Secretary of State has now taken specific responsibility for mental health. However, if I may be bold enough to offer some advice from my experience as a Minister, I would say that if a new standard of the type in question is to be embedded into the day-to-day life of the NHS, to make it something that happens as a matter of course and that is considered in the Monday morning meeting in the Secretary of State’s office exactly as the physical health standards are, there must be leadership from the top, including from Government. I appreciate that there are changes to Ministers’ roles under the Health and Social Care Act 2012; but they can demonstrate leadership. They can monitor, push, cajole and encourage, and set the moral tone about what is necessary for the approach we are discussing to become standard practice. That level of focus is needed from the Secretary of State downwards.

Will the Government consider the dossier of evidence and data that we have collated, and report back to us on their findings? Will they commit to addressing properly the defects and flaws in the implementation of the programme, as I think is necessary? One thing is clear: the Paul Farmer taskforce report published as part of the five-year forward view process sets out an ambition for mental health—for how we achieve equality for people who suffer mental ill health; however, if the lessons from the flawed implementation are not learned, every other part of Paul Farmer’s programme will fail to deliver the results that are so desperately needed. How will clinical commissioning groups be held to account for failure to implement the programme properly? What is the sanction for those who decided to ignore it—which is unacceptable to their communities? What is the Minister’s response to the findings I have talked about, and how does she respond to the clear evidence that people with mental ill health are not being treated with the same seriousness, or as if they have the same importance, as those suffering physical health problems?

It is time for mental health to come out of the shadows. We have started a national debate about mental health. The issue is much more out in the open than it
used to be. However, as the hon. Member for Plymouth, Moor View (Johnny Mercer) said, there is a great danger of a damaging gap, which undermines confidence and trust in Government, between rhetoric and the reality that people experience in their lives. It seems to me that there is an absolute moral responsibility on the Government to ensure that the standard is delivered.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. I thank the right hon. Member for North Norfolk (Norman Lamb) for securing this extremely important debate. I declare an interest, having worked as a clinical psychologist for 20 years in the NHS, and as a continuing member of the British Psychological Society, our professional body.

I shall start by giving a little context. I am heartened by some of the progress that has been made and by initiatives on mental health taken by Governments in the UK and Scotland over the years. When I started out, it was quite commonplace for patients to wait up to or more than a year for treatment. There appeared not to be any urgency about dealing with the waiting list and waiting times. That has improved very much, and we have waiting list standards. The HEAT targets—health improvement, efficiency and governance, access and treatment targets—focus service providers, policy makers and resources. So things are improving, but we clearly still have much work to do. I concur that we need to work in a joined up way across the UK and share best practice models in doing so.

The service when I started in practice clearly was not good enough. Patients had been waiting far too long by the time they came into treatment. Often they had been admitted to hospital in an acute situation—perhaps they were suicidal—or had had multiple episodes of psychosis, and we were not providing the best possible standard of care. Psychosis is a distressing illness, which tends to be long-term, although people can recover at an early stage if we pick up their symptoms and provide the appropriate care timeously.

In psychosis, people experience symptoms of paranoia and, often, delusional belief systems that take them out with reality. They may experience visual and auditory hallucinations. It is distressing for the person and also very much affects their family and those around them, and we must take it very seriously. Although it affects quite a small proportion of the population, it has huge ramifications for family relationships.

Gavin Robinson (Belfast East) (DUP): The hon. Lady is building on an impressive speech by the right hon. Member for North Norfolk (Norman Lamb). Does she accept that while it is right to pay attention to how quickly people get treatment after diagnosis, the biggest barrier to early intervention and treatment is securing diagnosis? I have personal experience, as my wife struggled for two years to get a diagnosis. Once she got it treatment was put in place, but it was far too long to wait. Until we crack that nut and, rather than dismissing people’s symptoms and struggles, deal with them practically, sympathetically and professionally, early intervention is only a myth to be discussed. We need the diagnosis first.

Dr Cameron: I thank the hon. Gentleman for that intervention about his personal and family experience. What he says is totally true; the issue is about shortening the gap between presentation and emergence of symptoms, and diagnosis. That is also true of other mental health problems and developmental disorders. Autistic spectrum disorders are the ones that stand out to me, particularly because parents often struggle for years to obtain a diagnosis, and therefore their children do not receive appropriate intervention early enough. They struggle with understanding their child and family relationships can deteriorate as a result, so I very much concur with the hon. Gentleman’s point.

That is why the mental health taskforce setting a standard for England is such a positive development. It is intended to achieve parity of esteem, but again, we cannot just have that in words—we must have the action to follow. The initiative and standard also establish that this is a national priority, which is important, because it has not been in the past. Mental health services have often been seen as an adjunct, which is not good enough, because we know that, for instance, one in four people experience depression in their lives, while many more experience other types of mental health problems, such as anxiety.

Although only a small proportion of the population will experience psychosis, mental health problems and difficulties are widespread. Most of us will at some point experience someone in our life having mental health difficulties, so it is important that we have the standard in place and that care is within two weeks from referral. It is also really important that the data are recorded, because services have to be standardised. That is the other issue to consider, because some trusts can often implement things more quickly than others.

We need to ensure there is not a postcode lottery across services and that people can access good mental health provision wherever they may be in the country. I would welcome that.

Psychosis requires multi-professional services, so a specialist team is required. Providing such a team is often labour-intensive and costly, but we should focus on the cost-effectiveness over the long term. As the right hon. Member for North Norfolk said, if we do not intervene early, the cost to society, the health service and people’s lives far outweighs the cost of the NHS provision that we must make. Standards focus policy makers on resources and ultimately improve care. The Scottish Government are currently undertaking a consultation on their mental health strategy, and early intervention and prevention will be key pillars in that. We now have a Mental Health Minister, Maureen Watt, who will be focusing on the delivery of the strategy, which will be informed by carers, service users, professionals, research and best practice.

One project I am aware of is the Esteem project in Glasgow, run by my colleague Suzy Clark, which covers Argyle and Clyde and is an early intervention service for psychosis. I understand that there is no waiting list and patients are usually seen within five days of referral, which is a huge change from the days when I started out. If patients are admitted to hospital they are assessed at the service within 24 hours, so people can feel supported straight away. It is very much a holistic service, looking at psychiatry with a medical model but also looking at psychological interventions and family support.
In the National Institute for Health and Care Excellence guidelines, cognitive behavioural training for psychosis is important. It helps people who are suffering from the positive symptoms of psychosis to begin to reappraise those symptoms, so that they can once again make a connection with reality and begin to be rehabilitated back into day-to-day life. Behavioural family therapy is also extremely important. As I have mentioned, psychosis affects not just the person who suffers but their whole family and social circle.

People can suddenly find themselves in a caring role, and research indicates that spending 10 hours and above per week as a carer can be a challenge to someone’s wellbeing. Once again, we can see the ramifications of avoiding putting best practice in place and not giving early intervention the priority it deserves. Depression is common in carers. They describe a need for information, practical help and emotional support, often from other people in a similar situation. Crucially, the outcome for and individual who suffers psychosis also partially depends on their relationship with their carer and family. That is why services and treatment have to look at the individual in a holistic manner and make sure that the available interventions encompass the family.

The Esteem project provides CBT for psychosis and behavioural family therapy. It also helps individuals to look at early warning signs and identify their symptoms at an early stage when they start to become unwell, so that they can contact appropriate providers if they have a subsequent episode. Outcomes from the first episode study by Professor Gumley at Glasgow University show massively significant and favourable outcomes following early intervention and service involvement. I must mention that Tony Morrison is also leading on the issue at Manchester University, so we can see that areas of expertise are developing right across the UK, which is heartening. We need to focus on early intervention; it is key. It leads to better prognosis, has better outcomes and reduces the risk of further relapse. It helps a person reintegrate into society, assists their carers and family and is cost-effective.

I welcome the Minister to her role, and I urge that the direction that is given is the best practice that has been recommended. We need that for service delivery, patient care, clinical effectiveness and cost-effectiveness. We must ensure there is parity of esteem for mental health.

10.7 am

Kerry McCarthy (Bristol East) (Lab): As ever, it is a pleasure to see you in the Chair, Sir Roger. I also welcome the Minister to her place.

Psychosis is incredibly frightening for friends and family to witness, and I speak from personal experience. It means people in effect having lost control of what is going on inside their head but not realising it, and it is difficult to get through to them. It is also an incredibly frightening experience for the people who suffer such episodes—perhaps not at the time, when they are in the grip of psychosis, but it becomes apparent from talking to them afterwards. One person, a veteran of the first Gulf war who has suffered from psychosis for the best part of 20 years, said, “You never know again whether what you are experiencing, feeling and thinking is true, because other people are telling you your experiences were not true.” It is an incredibly distressing place to be.

Early intervention is crucial. Mothers in particular have come to my constituency surgery, desperate to keep their young adult sons out of the criminal justice system, yet that is often the only alternative. These are big lads who can be quite frightening when they are in the grip of psychosis. The last thing a mother wants is to see her son locked up in police cells for the night, but all too often that has been the only alternative. If the lads are not seen as a direct danger to themselves or to others they cannot be sectioned; the mothers do not want them to be sectioned but they desperately want to get them help.

I pay tribute to the police and crime commissioner in my local area, Sue Mountstevens. She is an independent candidate who has just been elected for the second time, and she has made it an absolute priority to try to get people with mental health problems out of the criminal justice system and to make sure there are beds available so they can get the help they need.

We know that psychosis is particularly prevalent among young men of black Caribbean or African origin. Indeed, the three mothers who have come to me about this issue are all of black Caribbean or African descent. It seems to be an established fact that these young men are more vulnerable, but I do not think we have ever got to the root of why that is the case, and I would like to see more research into that.

I agree with what has been said about parity of esteem; I think all parties now recognise that. Mental health has been the poor relation of physical health, but young people’s mental health has too often been the poor relation of adult mental health. Young people struggle.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does my hon. Friend agree that overall people of black Caribbean heritage are over-represented in the mental health system? These young men tend to present late. They tend to be less likely to get talking therapy and tend to have poorer outcomes.

Kerry McCarthy: I very much agree, and I would love to see more research into the reasons for that. We know that early intervention is crucial and that if there is intervention after the first episode of psychosis, it can be deflected further down the line. It may be that young men’s reluctance or the lack of access to those services means that they go on to develop full-blown psychosis, which then blights their adult lives. There could be all sorts of reason. I have heard my hon. Friend speak about this before. I know she thinks it is a really important issue, and I agree with her.

Young people are even more marginalised. I have the Riverside unit for young people in my constituency at Blackberry Hill hospital. It is part residential, part day placements. I visited it recently. If the spaces are full, a number of young people get sent a considerable distance from home and away from their friends and families for treatment, which is not ideal. If we are trying to deal with young people in very vulnerable circumstances, displacing them from their families and support networks is obviously wrong.

Dr Dominique Thompson, who is in charge of the GP services at the University of Bristol, has given me figures in the past about the proportion of the casework of GPs at universities that is now on mental health-based
issues, and it has grown exponentially. That is everything ranging from anxiety, stress and depression right through to severe psychosis. I make a plea that the health services at universities are not the same as ordinary neighbourhood GPs; they need particular support. They deal with young people who are away from home and away from their support networks. We know that GPs are under pressure—particularly in terms of recruitment, which is a debate for another day—and it is important they have the resources to deal with that.

I want to mention briefly one source of help that is available to GPs. I met a group of researchers yesterday who are part of the Avon and Wiltshire Mental Health Partnership NHS Trust and are based at Blackberry Hill hospital in my constituency. They do something called BEST—best evidence summaries of topics—in mental health, which is a web-based service. Basically, these experts look through all the information available and distil it down to easy paragraphs for clinicians, so that rather than having to wade through all the material on the internet, clinicians are given some guidance as to what they are likely to be looking at and the likely best treatments. The funding for that service is under threat. The clinicians are not going on to develop full-blown psychosis, or people may have a cannabis-induced psychotic episode and then being criminalised seems awful.

Kerry McCarthy: As I said earlier, I think that diverting mental health issues into the criminal justice system is completely the wrong approach. That includes people who have engaged in taking cannabis, which is an illegal activity. It serves no purpose at all to treat that as a criminal situation when people clearly need the intervention of the health services. The medicalisation of the problem is certainly something I endorse. On that note, I conclude my remarks.

Jim Shannon (Strangford) (DUP): It is a pleasure to be called to speak in this debate, Sir Roger. I congratulate the right hon. Member for North Norfolk (Norman Lamb) on initiating this debate. I commend him—I have done it in his absence but will now do it in his presence—for the experience and wisdom he brings to these debates, his passion for the subject matter and for letting us take advantage of his knowledge.

This issue is an essential one that needs to be addressed, and this debate is very timely. Just this week, on Monday past, I heard about a constituent who falls into this category. I was contacted by a residents’ group, which expressed concern about a young man. The young man’s parents have died and he is alone. It turns out that he is clearly not taking good care of himself. There is no electric in his home; I suspect that the bills were not paid, and that he was not even aware the bills were there to be paid. There were no benefit checks either. This is a young man who fell between two stools.

Unfortunately, no one was able to help this young man until they were made aware of his problems by the residents and those who lived close by. When the young man was approached, he made it clear that he wanted no help; that was his initial response. The residents’ association worried from afar, and despite calls to the local police, nothing could be done until he was seen with what was perceived to be an offensive weapon. The Police Service of Northern Ireland then intervened, assessed him and realised there was something unusual about his behaviour. It decided he was not a threat initially to anyone other than perhaps himself, and referred him.

I got confirmation yesterday that a social worker has been initiated to come in and assist the young man. Hopefully this is now an example of a response taking place, but there was the delay that Members have mentioned. Indeed, my hon. Friend the Member for Belfast East (Gavin Robinson) gave a very personal example of that. It is about diagnosis and the system that is in place trying to help. That is something we believe has, at long last, happened, but it happened because of the residents’ group—the people who lived close by who had concerns and cared enough to raise them and assist when this man needed it. This is someone who obviously needed help for a long time and yet had fallen through the cracks. It is my belief that the onset of psychosis this young man is going through is not a new issue; it is historical, and yet nothing has been in place to help him in his situation.
Health is a devolved matter, and the Minister is not responsible for health issues in Northern Ireland, but I wanted to contribute to this debate to support what the right hon. Member for North Norfolk and others have said, and to comment about Northern Ireland.

The background information states that some 75% of mental illness in adult life begins before the age of 18, and that 17,000 people a year experience psychosis. It also indicates that many people aged under 16 also suffer psychosis—the right hon. Gentleman referred to that. There is clearly a massive issue to be addressed, and I know that the Minister will respond helpfully. I welcome her to her new position and look forward to her contribution.

The circumstances I have outlined underline the need for this debate. There must be a system in place to enable concerns to be raised and to provide a break for those with psychosis. There must be clear and dedicated guidelines for people to follow to get the necessary help. Without the observation of neighbours and the residents’ group, the person I mentioned would not have received help. The circumstances could have been dire and terrible to contemplate.

On standard waiting times for intervention by psychosis services, I understand that from 1 April 2016 more than 50% of people experiencing a first episode of psychosis will be treated with a care package approved by the National Institute for Health and Care Excellence within two weeks of referral. The previous Prime Minister—this is not a criticism, but an observation for the record—committed £1 billion to mental health; perhaps the Minister will say where that money is. Is it in the system, and has it been used for its intended purposes? If not, with respect to the Minister, we need to know why, and I look forward to her response.

The standard is targeted at people aged 14 to 65. It is two-pronged—both the following conditions must be met for the standard to be deemed to have been achieved: a maximum wait of two weeks from referral to diagnosis and the start of treatment, because it is so important to have early diagnosis and to respond immediately with the necessary help; and treatment delivered in accordance with NICE guidelines and quality standards for psychosis and schizophrenia. I am not sure whether my constituency is different from others, but I know from experience and my workload that I now have more people with mental health issues. Whether I notice them more now or they are coming to the door more, it is certainly a big issue.

Those are the guidelines, but what is happening in practice? Currently, the constituent I referred to has an early diagnosis. Some 45.3% were female, 2.4% were aged under 18, 47.1% were aged 18 to 64, 28.2% were aged 45 to 74, and 15.2% were aged 75 or over.

This issue is massive not just for the NHS on the mainland but for us in Northern Ireland, and indeed for Scotland. The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) referred to that, as will the Scottish National party spokesman, the hon. Member for Glasgow North East (Anne McLaughlin). We must resolve to make the situation more acceptable and ensure that there is adequate funding for earlier diagnosis and response so that people go into the appropriate care system, whether at home with the trauma team or in a dedicated facility.

Recruiting additional funding of £40 million has been allocated to support early intervention and the psychosis standard for England, in addition to the previous Prime Minister’s commitment to provide £1 billion for mental health. NHS England’s report on implementing the recommendation of the mental health taskforce estimates the cost of treating an additional 10% of people within two weeks at £70 million per annum when fully implemented, including the cost of developing the workforce. The figures do not add up. How does the Minister expect to reach the goal within the specified time without adequate funding? I know she is up to the task, and I am confident that she will give a good response. We need to see action on the ground.

I ask about that for selfish reasons. Those who know me know that I have no problem flying the flag for Northern Ireland in any debate in the House, especially one as relevant as this. In Northern Ireland, the devolved Assembly determined that the appropriate guidelines were that at least 80% of patients should wait no longer than nine weeks for a first out-patient appointment and that no patient should wait longer than 15 weeks. However, it is clear that those guidelines are not being reached.

The matter must be addressed at home, but that can come about only if adequate funding is committed by the Northern Ireland Assembly, and by the Government here, to the Department of Health, Social Services and Public Safety.

In an intervention, my hon. Friend the Member for East Londonderry (Mr Campbell) referred to a UK strategy. We have many debates on such issues in this Chamber, and the Minister will know that I always ask whether there have been talks with the regional devolved Governments—the Northern Ireland Assembly in my region, the Scottish Parliament and the Welsh Assembly—to ensure that we have a UK strategy. The right hon. Member for North Norfolk, who moved the motion, referred in response to an intervention to the need to learn from one another’s regions. Where there has been good practice, let us use it. If there has been good practice in Northern Ireland, we should use it here in England, and if Scotland has an appropriate strategy, let us use it in Wales and elsewhere. Let us exchange ideas and work towards ensuring that a UK strategy is in place and that funding is ring-fenced for that purpose. Access to mental health intervention should be not a matter of postcode, but a right. One in five adults in Northern Ireland will show signs of a mental illness. The figures also show that one in four people will experience mental health problems during their lifetime.

We had a conflict in Northern Ireland for some 30 years, and we have the highest level of mental health illness in the whole United Kingdom. The hon. Member for Plymouth, Moor View (Johnny Mercer), who serves on the Select Committee on Defence, served in Northern Ireland and is well aware of the issues facing those who served in the Army and the trauma they sometimes experience. In addition, families and other people in Northern Ireland have experienced at first hand the
thrust of terrorism. For us in Northern Ireland, mental illness is a massive issue. I cannot underline that enough, and we must be aware of it.

Figures have shown that when matched against 17 other countries, Northern Ireland had the second highest rate of ill health and problems with mental illness in 2015. It was 25% higher than in England. I urge the Minister to take note of that and to work with the devolved Assemblies—the Northern Ireland Assembly and the others—to ensure that in five years, the statistics are different from those in 2015. Let us set a target and a goal for change. If we aim for that, we can achieve some of what we want to do.

A lot of hard work has been carried out to remove the stigma attached to those who need help with mental health problems. Sometimes I wonder whether we can use different terminology. “Mental health” seems to flag up for people that they should perhaps be careful. People may have emotional problems that are not as bad as they seem. Perhaps we could use other terminology.

We need a system in place to deal with the rising number of people with mental health problems, and that is not currently the case. We need a target for reducing that number. Major changes are needed, and that is the reason for today’s debate. I fully support the calls that are being made, and I look forward to hearing from the Minister about how my constituent—she is many of their life circumstances, particularly their financial circumstances. I would like to draw attention to the excellent work being done by the Money and Mental Health Policy Institute to look at how mental illness, which includes psychosis, can impact negatively on personal finances. It is investigating ways to support people in those circumstances and is taking expert guidance from people who have been there. The hon. Member for Strangford (Jim Shannon) highlighted the case of an individual whose bills had not been paid—the chances are that he did not even know they had to be paid.

I want to give a simple example of something that the institute has come up with, with the support of the experts it is working alongside. Someone who may well suffer psychotic episodes in the future but is currently well lays out the key signs that they are experiencing such an episode. For example, they may say, “If I try to spend money between midnight and eight in the morning, that is a clear sign that I am suffering a psychotic episode. Don’t let me do it.” The banks are working with the institute and individuals to find ways for people to set parameters for their spending and be given support if that does not work out. As I said, the institute is taking guidance from people who suffer from mental health problems, but also from those who live and work with them, because they are the experts. I encourage anyone who has anything to say on the issue to join the expert panel; all they have to do is go to moneyandmentalhealth.org.

As many hon. Members have mentioned, particularly the right hon. Member for North Norfolk, £15 is saved in the long term for every £1 spent on early intervention. That is a powerful illustration of the importance and efficacy of that approach. It takes courage for Governments to commit to a course of action that might not produce results while they are in power or when they need votes but that will provide better outcomes for those who need them, so I am very pleased that the Scottish Government are now developing a 10-year strategy. I was interested to hear what my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) had to say about that.

As we have heard, many individuals have their first psychotic episode at an early age, but as many Members have said, we cannot exclude those over the age of 35 from the early intervention approach, which appears to have been happening in some parts of England. If roughly one quarter of men and one third of women experience their first incidence of psychosis after 35, CCGs are shifting the goalposts if they are applying the principle of early intervention and access to treatment for psychosis is fundamentally a moral one: at its heart it asks how readily we respond to some of the most vulnerable people in our midst. As others have asked, is there parity with people suffering physical ill health? We know that treating patients early improves outcomes significantly, not only in their mental health by reducing the rate of relapse and boosting recovery, but by reducing the knock-on impact of psychosis in other areas of a patient’s life. The hon. Member for Bristol East (Kerry McCarthy) gave us an insight into the impact on the person themselves and their wider network of family and friends.

If someone is struggling to deal with an untreated episode of psychosis, there can be rapid deterioration in many of their life circumstances, particularly their financial circumstances. I would like to draw attention to the excellent work being done by the Money and Mental Health Policy Institute to look at how mental illness, which includes psychosis, can impact negatively on personal finances. It is investigating ways to support
As I said, the Scottish Government are also developing a 10-year mental health strategy that focuses on early intervention and prevention. That longer-term vision is important for understanding that many people with mental health problems do not ask for help. Many of those they see on perhaps a six-monthly basis do not report what is happening to them, either because their mental health problem means that they do not want to be a bother or because they do not want to say what is happening to them. It is crucial that the holistic approach that my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow mentioned is taken so that families are involved and can give the person the support that is needed. Tackling mental health problems is not just the job of a psychiatrist and patient; it involves, or should involve, everyone the patient feels comfortable with.

On waiting time targets, the landscape in Scotland is slightly different in that, as we have heard, we have two key targets for mental health. One is that 90% of all those who are subject to a mental health referral should commence treatment within 18 weeks. I place on record my thanks to the mental health team at NHS Greater Glasgow and Clyde, which is currently meeting that target.

I would like to highlight the impact of Brexit and the British Bill of Rights on mental health provision. I make no apologies for raising those two issues, as it is surely self-evident that the country’s constitutional arrangements will have an impact across all policy areas. The Human Rights Act 1998 protects many vulnerable people who rely on health and social work support, and those safeguards must also be maintained for those suffering from psychosis.

I have a specific question for the Minister. The president of the Royal College of Psychiatrists, Simon Wessely, has stated that the UK’s decision to leave the EU will hamper the development of new treatments for illnesses such as psychosis. He said:

“I don’t believe there is a single scientist who does not think that being in the EU makes it easier to develop new treatments for mental disorder, and then to make them available.”

I would therefore be pleased if the Minister could tell us today how she will ensure that research and targeted funding for mental health from Europe is maintained or replaced.

I speak as someone who has close-up experience of significant mental health problems, including psychotic episodes. I will not say who the person is, not because I or they are at all ashamed or embarrassed but because there is still a lot of prejudice against people in that position. There is a lot of unnecessary fear. All of that only adds to the complications of trying to manage the condition. I mention this only because I hope the fact that someone close to me is currently in recovery from a traumatic psychotic episode, which I believe could have been prevented or at least been less traumatic had the person been able to access the services to which they were entitled, will add some weight to my words. Sometimes we have to look beyond the paperwork, policies and targets, important as they are, and find out what is happening on the ground, because people do slip through the net, and the impact on them and their networks can be catastrophic.

I commend the right hon. Member for North Norfolk again, and I also commend everyone else who has spoken in the debate. I thank my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow and others for the very useful information that I have gleaned from them today. As someone with a close family member who is currently struggling and who initially did not get the help that they needed despite being entitled to it, I want to add my personal thanks to everyone in the room who continues to campaign for people such as my family member.

10.38 am

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing this very important debate. The House appreciates his engagement with this issue, given all his wisdom and experience as a former Health Minister, and his continuing work since the 2014 paper “Achieving Better Access to Mental Health Services by 2020”.

Every Member of Parliament, on both sides of the House, will have had the experience in their own advice sessions of people coming to see them who either are experiencing mental health problems or are a family member trying to get help for a child or partner with mental health problems. I think that every Member of Parliament will also have somebody struggling with mental health issues within their own family or among their wider acquaintance. It is no different in our communities across the country.

I have to declare an interest because my mother was a mental health nurse until she retired. She worked in a mental hospital called Storthes Hall in West Yorkshire, and like a lot of mental health facilities it was a former workhouse. Despite the dedication of the nurses and doctors who worked there, this former workhouse on the edge of the Yorkshire moors exemplified, in a very physical way, the Cinderella nature of mental health services.

All parties in this House are committed to parity of esteem between mental health and physical health, but this important debate tests that reality. As we heard earlier, mental health is not just an issue for the individuals concerned; it can have a very sad and serious effect on their families. My hon. Friend the Member for Bristol East (Kerry McCarthy) touched on the issue of black and minority ethnic men and psychosis. This subject is not often discussed in this House, so I will be forgiven for saying a little about it. It has been an issue for many decades that black and minority ethnic people are disproportionately represented in our mental health system at every level. If someone goes on to the wards
of the Maudsley in south London or of mental health hospitals across London, they will see that a disproportionate number of the beds are filled by people of black and minority ethnic origin. In some cases, nearly all the beds are filled by people of black and minority ethnic origin.

This subject has been examined and studied since the book “Aliens and Alienists: Ethnic Minorities and Psychiatry”, which is by Dr Lippsedge. I think, and goes back to the ’80s. First, the issue is disproportionate representation, but then it is what sort of access to treatment people from black and minority ethnic backgrounds get. The first problem is their presenting late, and one of the reasons why black and minority ethnic people present late is that they are so frightened of the mental health system. I have dealt time after time with mothers who are struggling with sons with very serious psychosis whom they cannot manage and feel physically threatened by. When I say to them that they need to approach the national health service, they are often very resistant because they are so frightened. They believe that if they let their sons go into the mental health system, they will just be pumped full of—

Sir Roger Gale (in the Chair): Order. I am sorry to interrupt the hon. Lady. I understand that she wishes to address the Member who moved the motion, but she is off-microphone and it is making it difficult for the Hansard reporter. That is why, traditionally, Members address the Chair.

Ms Abbott: It is true of many communities, and in particular the black and minority ethnic community, as the statistics prove, that they are reluctant to take family members into the national health system. When they finally have to engage with the national health service, their symptoms are much worse and it is far harder to get positive outcomes. I tell the Minister that it is really important to look at this issue of black and minority ethnic people and the mental health system, because it is causing real misery and problems within the community. We are less likely to be offered talking therapies and more likely to be offered electroconvulsive therapy. Again, mental health facilities within the prison service, such as Rampton, have disproportionate levels of black and minority ethnic persons inside those institutions.

Norman Lamb: I am grateful to the hon. Lady for giving way. She is making an incredibly important point about the over-representation of black and minority ethnic people in the system. Does she agree that they are also more likely to be subject to coercion—to sectioning under the Mental Health Acts—and more likely to suffer restraint and physical force within mental health settings?

Ms Abbott: I am grateful to the right hon. Gentleman for that important point. It is absolutely true that, partly because they are presenting late and often have quite advanced psychotic symptoms, they are more likely to experience coercion and restraint. We know that some of those incidents of restraint have had very unhappy outcomes, and families continue to campaign against the misuse of restraint on mental health patients. All these decades after people first started to look at issues relating to black and minority ethnic communities and the mental health service, we have made little progress. Is the Minister willing to meet me to discuss this issue, which I have looked at for many years? One of the basic problems is statistics. It took years to get the health service to keep statistics broken down by ethnicity within the mental health service, and I am not sure what is happening to those data.

As we have heard, it is vital that psychosis is treated early as that prevents complications, improves outcomes and is more cost-effective. We know that psychosis costs £11.8 billion a year and we also know that mental health problems are on the rise. It is very disturbing to find that the research shows that a quarter of CCGs seem to be ignoring the access waiting time standard for psychosis, and the National Audit Office reports that there are insufficient funds available for the strategy to achieve parity of esteem to have any reality. We know, because we have heard, that too many CCGs cannot even specify how much money is devoted to early intervention; that gives rise to the suspicion that not enough is devoted to it.

The right hon. Member for North Norfolk made the fundamental point that this issue is still not being treated with the same seriousness as cancer standards are. This goes back to the issue that many Members have raised of stigma, shame and an unwillingness of the families of psychosis sufferers to speak out in the way that the families of people who suffer from cancer are willing to go into the public space and to the media to speak out.

Johnny Mercer: I wholeheartedly agree with the hon. Lady about that. This week, in Plymouth we have been running a campaign called “Talk Don’t Suffer”, in conjunction with The Herald. I pay tribute to the Plymouth Herald for what it has done. Getting people to come forward and printing their stories is such a powerful testimony for those who suffer with mental health, because they know that other people are suffering too and about the impact on families. To talk about it is very important to improving the situation.

Ms Abbott: I again congratulate the right hon. Member for North Norfolk on securing this important debate. He spoke about discrimination and injustice, and that is what strikes people so strongly. There is the human misery of people suffering from psychosis, whether intermittent bouts or lifelong psychosis, and there is the misery and worry of their family members. We need to be a society in which the promise from all parts of the House for parity of esteem between mental and physical health becomes reality. We want to be a society in which people are not marginalised or almost warehoused just because they have mental health challenges, including psychosis, but have some promise of the support they need and of a better life. I look forward to the Minister’s response to questions asked by my Opposition colleagues. I assure her that I will return to this issue—not only black and minority ethnic mental health, but mental health in general.

10.49 am

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): It is a pleasure to serve under your chairmanship for my first outing as a Minister, Sir Roger,
and I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing this important debate. He has rightly pointed out that many areas of mental health services are not yet meeting the standards that patients and their families deserve and have a right to expect, and he is absolutely right to say that improving access and waiting times for early intervention in psychosis must be a top priority among those. I assure him that both I and the Government share his determination and sense of urgency in such matters.

I think we can agree that for far too long as a nation we tolerated poor mental health services in this country, and we all know the terrible price that some have had to pay for our collective failure to step in earlier. That time is now over and we are in the process of creating a mental health service that we can be proud of—one in which, no matter where someone lives, they will be able to access the services they need when they need them, and just as importantly, one that people feel safe and confident using.

But we have to be honest about this, or we will get discouraged and lose momentum: it is not going to happen overnight. Although there are already some areas of outstanding practice that we should be encouraged by, we are, in general, coming from a low base, and only a sustained effort over the next few years is going to bring about the change that we are all demanding.

For that reason, I would like personally to thank the right hon. Member for North Norfolk for his pivotal role in securing parity of esteem and for supporting the introduction of the first waiting time standards for mental health services. With the previous Prime Minister, the Health Secretary and my predecessor, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), the right hon. Gentleman has set us on the road to better mental health services. Now we have to follow it through, no matter how bumpy the journey may become at times. I hope that he will meet me and give the benefit of his advice, because I suspect I am going to need it.

I would also like to thank everybody who has contributed to today’s debate. Some have given moving accounts of personal experiences or those of family members or friends. Others have taken the opportunity to raise difficult constituency cases. I know that all here today are committed to keeping mental health at the top of our agenda as the Government shape their new programme.

That brings me on to the challenges of the early intervention pathway for psychosis, which is designed to deliver the improvements to psychosis care that are urgently needed, as the right hon. Gentleman so clearly laid out. He pointed out that psychosis is more common than people realise: it affects one in 2,000 people in England in any given year. We know that the early intervention in psychosis programme is crucial in ensuring that mental health services maximise their opportunity to intervene at the earliest possible moment to prevent patients from relapsing, so that they are less likely to be admitted to hospital and have less severe symptoms. As the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) so expertly described, such services are recognised as the best model for helping young people to recover from the first episode of psychosis. They have the potential not only to save the NHS tens of millions of pounds but to reduce the serious impact of psychosis on those patients’ lives and those of their families and carers.

The hon. Member for Strangford (Jim Shannon) asked about funding. When waiting times for mental health were introduced for the first time, they were backed by £120 million of investment. In addition, we have invested £33 million in developing EIP services. Further funding for early intervention in psychosis was announced in NHS England’s “Five Year Forward View for Mental Health” implementation plan earlier this year. That funding is designed to support delivery of the target to ensure that 60% of people who experience their first episode of psychosis receive treatment with a NICE concordant package of care within two weeks of referral by 2021.

Norman Lamb: I am encouraged by what the Minister is saying. I assume that the money she has talked about that will be allocated is part of the baseline that CCGs will receive and not a separate allocation. The question is how she ensures that CCGs actually spend the money as intended.

Nicola Blackwood: As the right hon. Gentleman is aware, this work is in its early stages. He is right that services are working hard to develop this process. NHS England has set out in its implementation plan how the services will need to grow and improve to meet the new standards. In particular, it has noted that the current block contract arrangements can result in poor transparency on spend per patient, as he has seen with his freedom of information request.

NHS England has been looking at alternative funding models that will link an element of payment to achievement of quality and outcomes, including the EIP access and waiting time standard. When there are variations in spend, we will need to consider the reasons for that and ensure that necessary action is taken to address any impact on the quality of care available. I hope that reassures the right hon. Gentleman.

In addition, the Royal College of Psychiatrists College Centre for Quality Improvement has been commissioned to undertake continued assessment and quality improvement work. This will be through a quality improvement network, supported by an annual self-assessment that will be independently validated and scored. All early intervention in psychosis services are going to be expected to participate. The first results will be published in April 2017, but any earlier results will be published before that. It is intended to provide a transparent assessment of services across England. This will give us a clear picture of service provision and enable us to target areas where additional development will be required, so that we can ensure that the standard is met and that people receive the care they need.

The right hon. Gentleman also mentioned the important issue of age caps. The most likely age for a first episode of psychosis to occur is between 14 and 35, as has been pointed out.

Ms Abbott: Is the Minister saying that there is currently no way of making sure that CCGs spend the requisite proportion of their funding on mental health?
Nicola Blackwood: Currently, the block contracts make it less transparent than it should be and we are working to address that.

I had moved on to talk about the age cap. As I was saying, psychosis is most likely to occur between the ages of 14 and 35; consequently, services have traditionally been commissioned in this age range. However, a sizeable proportion of presentations take place after that, which is why NHS England guidance is clear that services should be available to people up to the age of 65. We are working with local commissioners to ensure that service provision is expanded to cover all age ranges. A regional assurance process is under way to assess providers’ and commissioners’ progress in making that happen. This is intended to deliver transparency across England on the plans currently in place, and, where it is not happening, to highlight where further development is required. Again, the Royal College of Psychiatrists CCQI’s assessment work and the development of robust data, which I will come on to in a minute, will enable us to see areas that are not providing services for people up to 65 and to target development accordingly.

However, none of that will happen without the right people to deliver it. To improve access to NICE-recommended psychological therapies, we have to ensure that there are the staff numbers and the appropriate skills mix to deliver the full range of treatment to those who need it. The modelling undertaken by NHS England for additional investment to achieve the new standard incorporates the costs of the necessary workforce development. Health Education England has a targeted work programme under way to increase the number of EIP staff trained to deliver cognitive behavioural therapy for psychosis and family interventions, with £6 million invested in training this year.

Finally, as the shadow Secretary of State pointed out, to ensure consistently good performance against this standard and future waiting times standards, we need robust data. I am very happy to meet her to discuss that point. We know that the data need to improve and we are working hard to make that happen. The right hon. Member for North Norfolk is well aware that we are starting from a low base on data availability and quality in mental health, but we cannot let that stop our progress or our ambition.

We are implementing the EIP waiting time standard with a clear expectation that providers will meet that standard. We are working simultaneously with the NHS, NHS England and NHS Digital to ensure that the data become robust enough so that we can hold providers and commissioners to account for meeting that standard. Data on mental health are behind that of physical health, and it will take time to get the data of the same quality. We know that from the improving access to psychological therapies data, which took some time to develop to a good quality. However, the IAPT pathway and standards are now an exemplar and represent a good model for development of other data sets. Encouragingly, data have started to flow via the mental health services data set from March this year, including experimental data on EIP. That is not robust, but there has been significant progress so far. We are currently working across Government to deliver a robust five-year mental health data plan to take us to 2020. The data plan, as recommended by the “Five Year Forward View for Mental Health”, will address the need for substantially improved data and information about mental health services for adults and children.

I hope that this response will show that we are committed to ensuring that there is no gap between rhetoric and reality on the ground. The right hon. Gentleman was right to identify funding, age caps, staffing and skills shortages and data limitations as the key challenges that we are grappling with in the implementation of the EIP, but we have in place work streams to address all those factors. We also agree that we require a systemic review of implementation to challenge and support local areas to implement the EIP more effectively. That is why we have asked independent experts at the Royal College of Psychiatrists to do exactly that. As I have said, they will be reporting in April 2017, but they will report as they go along with any earlier information so that we can make progress as quickly as possible. In the meantime, I will certainly write to him with a response on the detail of his dossier, and I entirely agree with all those who have made the point that we need to share best practice between devolved nations on these issues.

Today’s debate has been very important not just on the details of the EIP, but to test the Government’s commitment to health equality. I am grateful to all colleagues who have raised concerns today. I hope that our commitment to reforming our mental health services is now beyond doubt, but I know, as I look around the Chamber today, that I have heard in speech after speech the determination to see change, and I take courage. Great reform requires long-term vision and non-partisan partnership. I have heard all three of those here today and that truly is a firm foundation for the task that we have ahead.

Motion lapsed (Standing Order No. 10(6)).
Loughinisland Murders

11 am

Ms Margaret Ritchie (South Down) (SDLP): I beg to move,

That this House has considered the Police Ombudsman of Northern Ireland's report on the murders at Heights Bar, Loughinisland.

I am pleased to serve under your chairmanship, Sir Roger, and I am pleased that the Minister and the shadow spokesperson on Northern Ireland are also here.

On 18 June 1994, an Ulster Volunteer Force murder gang burst into the Heights Bar in Loughinisland in South Down and, in a nakedly sectarian act, shot dead six Catholic men and seriously wounded five others as they watched a World cup football match. Those six men were Adrian Rogan, Malcolm Jenkinson, Barney Green, Daniel McClean, Patrick O'Hare and Eamon Byrne. Nobody has ever been held to account, charged or convicted for those murders and that single incident revolted the entire community I represent and in which I reside, some three miles from that pub in Loughinisland. The community was outraged at such a heinous crime.

Two of those killed were well-known family friends to me. Barney Green was aged 87, and one of his late brothers was married to my paternal aunt. His nephew, Dan McClean, was a cousin of my cousins. I pay tribute to the families, victims, survivors and their legal team.

In view of the fact that nobody has been held accountable, the families of the deceased and injured went to the Police Ombudsman with significant concerns. In summary, those were: that the police failed to conduct an effective investigation of the murders, including failing to keep bereaved families updated on the progress of the inquiry; that the police failed to discharge the state's duties as required by article 2 of the European convention on human rights; and that there was collusion between the then Royal Ulster Constabulary and those responsible for the murders.

On 9 June this year, the Police Ombudsman published the report. At that time, I said that, more than 20 years on and five years since the release of the totally discredited original Police Ombudsman's report, the damning disclosure in this report that security force collusion played a major role in the murder of those six innocent men has finally been made. Disgracefully, the protection of informants took precedence over the preservation of forensic evidence, one of those arms was used in the importation of arms way back in 1987. According to forensic evidence, one of those arms was used in the murder of my six friends in Loughinisland.

In view of the fact that nobody has been held accountable, the families of the deceased and injured went to the Police Ombudsman with significant concerns. In summary, those were: that the police failed to conduct an effective investigation of the murders, including failing to keep bereaved families updated on the progress of the inquiry; that the police failed to discharge the state's duties as required by article 2 of the European convention on human rights; and that there was collusion between the then Royal Ulster Constabulary and those responsible for the murders.

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On closer examination of the report, Dr Maguire clearly demonstrates that collusion was a significant feature in the deaths of the six men. I will illustrate that by directly quoting Dr Maguire's report, in which he writes:

"It is my view that the nature of the relationship between the police and informants undermined the investigative process in a number of ways... This was a 'hear no evil, see no evil, speak no evil' approach to the use of informants, which potentially frustrated the police investigation into the attack and restricted investigation opportunities and lines of inquiry."

Lady Hermon (North Down) (Ind): I am grateful to the hon. Lady for allowing me to intervene. This is an important debate about a controversial issue. I should put on the record that my late husband, who died eight years ago with Alzheimer's, was, at one time, the Chief Constable of the RUC and was enormously proud of his role in an organisation that had been attacked and lost 302 members during the troubles.

The report is very controversial. Will the hon. Lady confirm for the record that the Police Ombudsman concluded that the UVF unit was responsible for the murder of the six innocent Catholic men? I extend my deepest sympathy to the families of those six innocent Catholics who were watching a football match. However, the ombudsman concluded that it was the UVF and that the RUC had no prior knowledge or warning that could have prevented that attack on the Heights Bar in Loughinisland. Will she kindly confirm that for the record?

Ms Ritchie: Indeed, the report says:

"Let there be no doubt, the persons responsible for the atrocity at Loughinisland were those who entered the bar on that Saturday evening and indiscriminately opened fire."

However, the Police Ombudsman goes on to mention the lack of rigour in the investigation and the fact that vital evidence was destroyed: namely, the car that had been accommodated at Saintfield police station, which is no longer there. I accept what the hon. Lady said and will ensure that the families—people I know very well indeed—are well aware of her deepest sympathies to them.

Danny Kinahan (South Antrim) (UUP): We are discussing the most heinous crime possible. There were many in Northern Ireland. We send our sympathies to the families. I note the ombudsman's quotation, which the hon. Lady read out, but will she confirm that there was no collusion over the act of violence that happened in the Heights Bar? The accusation of collusion is awaiting evidence. We believe that, if there is evidence, it should go to court and, quite rightly, be looked after, but we do not want to blacken the whole RUC and Police Service of Northern Ireland.

Ms Ritchie: It is worth noting what Dr Maguire says in his report. He uses the Smithwick report's definition of collusion, which includes "commission" and "omission".

I firmly believe that if there had been an accelerated inquiry process following the deaths of the six men, we would have been in a better position than we were at that stage.

For some unknown reason, the police did not put in significant rigour, given the fact that there was a UVF unit operating in South Down and given that there were preceding events, including the murder of Jack Kielty in January 1988, the murder of Peter McCormack in the Thierafurth Inn on 19 November 1992, the attempted murder of his cousin, Peter McCarthy, some weeks before that in that bar, and the attempted murder of John Henry Smyth, who was originally from Downpatrick but was resident in Castlewellan and who, sadly, has since died from natural causes. The report is particularly instructive and provides the wider context about the importation of arms way back in 1987. According to forensic evidence, one of those arms was used in the murder of my six friends in Loughinisland.

Dr Maguire's report also states that "Special Branch continued to engage in a relationship with sources they identified in intelligence reporting as likely to have been involved at some level in the Loughinisland atrocity."
The report is particularly instructive, and it develops that concern at paragraph 5.67, wherein the Police Ombudsman describes that special branch “established an intelligence asset that revealed that Persons A, M & K were leading UVF members in the area, with connections to the security forces. In addition, the intelligence identified a relationship between Persons A, M, K and Person I, who was a senior member of the UVF with links to East Belfast, but who reported directly to the UVF leadership on the Shankill Road, West Belfast.” Paragraph 5.80 further states: “My investigation has established that at least three individuals and their families, directly associated with the UVF unit active in South Down, were members of the UDR.” That does not make very pleasant reading for me or my constituents but facts are facts, and these facts were established by an investigation that produced a report after much interrogation. The report goes on to inform us that in the year before the Loughinisland atrocity, persons A, M, K and I “were responsible for” the deaths I have already mentioned, including the murder of Martin Lavery in Belfast on 20 December 1992. The indiscriminate brutal savagery of these murders stood out because of the nature of our community in Loughinisland. I live some three miles away, and I am talking about myself, my family, my neighbours and my constituents when I say that we are harmonious, integrated and peace loving—we always have been and still are. After the inquest on 28 January 1995, my party colleague and former councillor, Patsy Toman, who resided in Loughinisland and who arrived within 10 minutes of the shooting, received an anonymous letter on 14 February 1995. He gave the letter to the police after talking to me, and some of its details were quite explicit in relation to the names of those who may have been involved. Dr Maguire’s report tells us at paragraph 7.203 that the letter has been lost by the police and, notwithstanding its contents, no persons, certainly none of those named in it, have been charged before the criminal courts. The Police Ombudsman further states: “I am satisfied that on the basis of a sound intelligence case, Special Branch identified Persons A, M, K, I & B to the Loughinisland Murder Investigation Team as suspects on Sunday 19 June 1994.” That was the day after the murders, yet Dr Maguire’s report tells us: “On 24 August 1994 police received information that members of the gang, which police suspected had been responsible for the murders at Loughinisland, were informed on 21 August 1994 that they were liable to be arrested the next morning. Intelligence the following month stated that the source of this warning was a policeman. I have found no evidence that efforts were made by police to investigate this information.” In view of the very serious issues raised by the report, I wrote to the then Prime Minister, the right hon. Member for Witney (Mr Cameron), on 10 June, and in a subsequent written response he stated: “The Government accepts the Police Ombudsman’s report and the Chief Constable’s response and we take any allegations of police misconduct very seriously. Where there is evidence of wrongdoing it must be pursued—everyone is subject to the rule of law.” On that basis, the then Prime Minister, the British Government and the current Chief Constable of the Police Service of Northern Ireland accept the report’s finding that collusion was a significant factor. It follows that those who were to be arrested in August 1994—probably the same individuals mentioned in the anonymous letter to my colleague, the then Councillor Toman, and specifically referred to by the designated letters in the Police Ombudsman’s investigation—should be brought in by the PSNI for questioning and reinvestigation. I am aware of those names, the authorities have the names and now, with the Police Ombudsman’s report, the PSNI has grounds under reasonable cause to bring these individuals in for questioning.

Last week I had a meeting with the Chief Constable, and I raised this directly with him. I will continue to pursue the matter on behalf of the families, the victims and the survivors because I believe that there must be truth and justice. If the past and the investigation mean anything, we need truth. In the same vein, the Police Ombudsman has a responsibility to follow through on his work that identified problems within the then police force and those officers responsible. If we are to have justice, truth and any form of accountability, resources must be made available to the PSNI and the Ombudsman’s office to act now on what is a relatively recent crime. Hopefully we will then have a better chance of prosecutions.

Lady Hermon: I express my deep appreciation to the hon. Lady for her tireless efforts on behalf of her constituents and their families. The manner and tone in which she speaks display the real commitment and compassion that she always shows to her constituents. Will she confirm that, despite the very controversial findings of the Police Ombudsman’s investigation into Loughinisland, the Police Ombudsman did not send any prosecution reports, or suggestions for prosecution, to the Director of Public Prosecutions for Northern Ireland? Was that a surprise in the light of the fact that he concluded that there was collusion?

Ms Ritchie: A section in the report states that the current Chief Constable has sent the specific names of junior and senior members of the then RUC about whom there are certain doubts—I put it like that—to the Police Ombudsman for investigation. As I understand it, they are currently being investigated. I want to put that on the record.

Mark Durkan (Foyle) (SDLP): My hon. Friend has compellingly set out how the report shows that there was serial dereliction on the part of a police service that was meant to be the guardian of people and the peace and the upholder of law and justice, but there was not only serial dereliction. In the many years since Loughinisland, when all these concerns have been voiced and raised, there has also been serial denial by too many politicians, including Ministers. Does she hope that the Minister today will strike a different tone from the previous Secretary of State in relation to these important matters?

Ms Ritchie: I thank my hon. Friend for his helpful intervention. I agree that we want to move forward with this investigation, but we cannot begin to move forward to build a shared and inclusive society if issues from the past are not comprehensively addressed. How the Government respond to the report on the Loughinisland massacre is critical for legacy issues. The past has wider implications for public confidence and justice in Northern Ireland. The comments by the previous Secretary of State, to which he referred, insulted the people of Loughinisland, the families and the victims. I regret having to say that, but that is the position.
I look forward to a more helpful response today, but there must now be accelerated work on prosecutions, a British Government apology to the victims and survivors and their families, and provision of compensation for the victims, for those lost lives. That must be part of the urgent answer and solution to this tragedy in Loughinisland on Saturday 18 June 1994.

11.18 am

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): Thank you for your chairmanship and guidance, Sir Roger. I am extremely grateful to the hon. Member for South Down (Ms Ritchie) for bringing this important debate to the House.

What happened in Loughinisland in June 1994 was an act of unspeakable evil for which there is no possible justification. I am sure the whole House would want to pass our heartfelt condolences and sympathies to those affected by this appalling atrocity. I express my personal sympathies to the hon. Lady because of her personal link to this.

Ian Paisley (North Antrim) (DUP): I agree wholeheartedly with the Minister’s comments, especially about the way in which the hon. Member for South Down (Ms Ritchie) introduced the debate. However, does he accept that it would be reasonable for the House to see the definition of the word “collusion” being used by the Police Ombudsman in the report? That would give clarity on what it means, because the word “collusion” can be heavily bagged.

Kris Hopkins: It is not for me to define “collusion” for the Ombudsman. There are many definitions, and we may choose a different one, but we accept fully the findings of the report—I shall comment further on that in a moment.

The Government accept the Police Ombudsman’s report and the Chief Constable’s response. We take any allegations of police misconduct very seriously; where there is evidence of wrongdoing, it must be pursued. Everyone is subject to the rule of law.

This is now a matter for the Police Service of Northern Ireland. The Chief Constable apologised to the families after the Ombudsman’s first report on this atrocity in 2011 and he apologised again on 9 June this year when the second report was released. He has given his reassurance both to the families and to the public that he fully co-operated with the Police Ombudsman’s investigation and that he will co-operate fully with any disciplinary or criminal proceedings against former police officers. It is very clear from the Chief Constable’s response that the Police Service of Northern Ireland remains firmly committed to apprehending those responsible for these murders and has appealed to the community for information. On behalf of the Government, I reiterate that commitment and that appeal.

We have judged our security forces against the highest standards of integrity and professionalism in the past, and we always will. As a Government, we have been more forthcoming than any of our predecessors in accepting where the state has failed to live up to the highest standards and in apologising when it is the right thing to do. Where it is warranted, we will continue to do so.

There have been calls for the UK Government to apologise for what happened on the fateful day of 18 June 1994. Of course the Government deeply regret that the terrorists who committed these vicious attacks have never been brought to justice, and we are sorry for any failings by the police in relation to this case. However, the Ombudsman’s report makes it very clear that those responsible for this despicable attack were the Ulster Volunteer Force terrorist gang who planned it and carried it out, leaving utter devastation in the aftermath and for many years thereafter. The report also categorically states that the police had no prior knowledge of the attack that would have enabled them to prevent it.

The Government will never seek to defend the security forces by defending the indefensible.

Ms Ritchie: Will the Minister comment on the fact that the Police Ombudsman’s report refers to a lack of resources invested in investigating the UVF unit operating in that area of South Down, which had resulted in prior murders of people who lived in the locality? There is a feeling that if more rigour had been applied to that investigation before Loughinisland, maybe Loughinisland would not have happened.

Kris Hopkins: As I have already said, the Government accept the findings of the report and so does the Chief Constable. What is important now is that we show compassion to the families and those who have lost, and that we pursue the individuals who carried out this atrocity. I am confident that the Chief Constable will continue to do that.

The majority of those who served in the security forces during the troubles did so with great bravery and exemplary professionalism. We owe them a huge debt of gratitude for what they did to uphold the rule of law and ensure that the future of Northern Ireland could only ever be determined by democracy and consent.

The report highlights the need to establish the legacy bodies set out in the Stormont House agreement. We all know that legacy issues in Northern Ireland have a continuing capacity to disrupt the political process and the economic stability of the people of Northern Ireland, and the current structures for dealing with these cases are not working as they should. We know for a fact, through many discussions with victims’ groups, that the current structures do not work for victims and survivors of horrendous atrocities such as that in Loughinisland 22 years ago.

The Government remain committed to establishing the legacy bodies set out in the Stormont House agreement: the historical investigations unit, the independent commission on information retrieval, the implementation and reconciliation group and the oral history archive. It is our view that they offer the best way forward for us to achieve better outcomes for victims, survivors and the people who suffered as a result of the troubles. We share the widespread disappointment that the “Fresh Start” talks last year were unable to deliver the new structures, but today I reaffirm the Government’s determination and commitment to do all we can to remedy that.

Mark Durkan: The Minister knows that one of the crux difficulties in dealing with legacy issues in the context of Stormont House was the insistence of the then Secretary of State on national security matters,
which of course involve putting a primary emphasis on the protection of informants and others. Surely the Ombudsman’s report shows that it was a fatal flaw in the culture of policing and security control for so many years that primacy was given to protecting those people rather than protecting the innocent and prosecuting the guilty.

**Kris Hopkins:** I reiterate what I said before: we accept the full findings of the report.

We will continue to work with victims’ groups, with the Northern Ireland parties and with the Irish Government to seek a way forward. The hon. Member for Foyle (Mark Durkan) talked about tone; I reassure him that wherever I can work with Members of Parliament for Northern Ireland to try to bridge some of the issues that they face as constituency MPs—and that many other MPs throughout the UK do not—my door is always open. I hope we can have a really positive relationship in the months and years to come.

**Sir Roger Gale (in the Chair):** Before I put the Question, I place on record, as a courtesy, the fact that the Opposition Front-Bench spokesman, the hon. Member for Ealing North (Stephen Pound), is present. The arcane rules relating to half-hour debates have precluded him from speaking, but it is important that it is recognised that he has been here and heard the remarks.

**Helen Whately:** I beg to move, That this House has considered fly-parking by HGVs in Kent.

It is a pleasure to serve under your chairmanship, Mr. Turner. I welcome this opportunity to express my concerns to my right hon. Friend the Roads Minister. As he knows, fly-parking—the parking of lorries outside proper parking areas—is a long-term and growing problem in my constituency and across Kent. I thank my colleagues from Kent who are here today to show their support. I know that they share my concerns, as do other colleagues from Kent who are unable to attend this debate. Indeed, during this week, several colleagues from elsewhere in the country have mentioned to me that fly-parking is also a problem in their areas. I hope that through this debate I can push the issue up the Minister’s agenda.

The nub of the problem is that there simply are not enough places for lorries to park in Kent, so they stop where they can. They fill the lay-bys on major roads and park on the hard shoulders of slip roads, on the verges of country lanes and in housing estates. The M20 is the main route to the channel, carrying thousands of lorries every day. In my constituency, junctions 7 and 8 are particular blackspots. Along the A2-M2 route to Dover, Brenley Corner and Gate services are also renowned for large gatherings of lorries.

Since December last year, Kent police have dealt with 2,534 illegally parked heavy goods vehicles. A study in 2011 found that there was a shortfall of about 600 lorry parking spaces in the south-east. Since then, freight volumes have increased substantially. For instance, in just one year, 2014-15, freight increased by 12%. It is now estimated that 11,000 lorries pass through Dover and Folkestone each day to cross the channel.

**Mrs Helen Grant (Maidstone and The Weald) (Con):** I congratulate my hon. Friend on securing this important debate. As a neighbouring MP—my hon. Friend and I share the town of Maidstone—I have received several complaints from my constituents about lorries parked on the hard shoulder, particularly on the M20 and the A2. I agree wholeheartedly that we need much stricter parking controls. I would also like to see many more overnight parking facilities.

**Helen Whately:** I thank my hon. Friend for her support. We both experience problems with fly-parking around Maidstone.

A huge number of lorries pass along the M20 and through Kent every day. That number is increasing, and the growth trend is expected to continue. In fact, we should hope that it will, because lorry numbers and freight volumes increase as the economy grows. As that happens, the parking situation is likely to get only worse.

Fly-parking is not only a nuisance, it is dangerous, especially when lorries stick out of lay-bys into fast roads or occupy hard shoulders. Last year, tragically, a 74-year-old woman from Maidstone called Susan Mellor...
died when her car crashed into a lorry parked on the hard shoulder at junction 7 of the M20 in my constituency. Kent police have shown me footage of officers walking along the hard shoulder to move lorries on. As they do so, cars are pounding past, clearly putting the lives of officers in some considerable danger. The process also takes up material police time. Aside from the dangers, there are the problems of noise from the lorries, particularly refrigerated lorries in residential areas; the significant litter associated with lorries parking up; and—I am afraid there is no nice way to put this—human fouling of verges and areas where lorries park. That is truly disgusting, but it happens because the average lay-by or roadside verge has no facilities for drivers to use.

Robert Flello (Stoke-on-Trent South) (Lab): My apologies for missing the start of the debate; I was delayed at a meeting. I am enjoying the hon. Lady’s contribution, and I congratulate her on securing the debate.

The vehicle recovery operator who goes out to fix a vehicle in a lay-by that is awash with most unpleasant materials is the guy—typically it is a guy, although sometimes it is a lady—who has to lie in that to do the repairs. It is horrible. Does the hon. Lady have every sympathy with people, whether they are from one of the recognised motor clubs or from one of the many recovery businesses throughout the country, who have to lie in that to work on vehicles?

Helen Whately: I thank the hon. Gentleman for bringing to life very effectively the unpleasantness of what is on the verges.

Amanda Milling (Cannock Chase) (Con): I congratulate my hon. Friend on securing this important debate. HGV fly-parking is not just a problem in Kent. The Amazon fulfilment centre in Rugeley creates a lot of jobs, but we have the problem of a lot of lorries parking up overnight. My hon. Friend mentioned the litter, and there are a range of other associated problems. There are also the dangers of parking. Does she agree that we need to do more, in every way possible, to prevent lorries from parking overnight across the county, which will update the figures for how many additional spaces are needed. The council is also looking into where lorry parking might be made available. Councillor Balfour also told me that enforcing parking restrictions is a challenge, and the level of fines tends to be lower than the cost of collecting them. A clamping pilot in Ashford was successful, but it proved prohibitively expensive because the cost of carrying it out was much greater than the revenue it brought in.

I have some specific examples. The penalty for parking on the hard shoulder is only £30, which is less than the £50 fine for exceeding safe driving hours. Parking overnight at a truck stop often costs around £21, so from a driver’s point of view, parking somewhere they should not might be a risk worth taking, even when there is a service area.

Robert Flello: The hon. Lady mentioned the cost of truck stops and all the other fines, but if a driver parks at a motorway service area—quite often, there are no truck stops—that can be considerably more expensive again.

Helen Whately: The hon. Gentleman makes an important point. We need to combine available and affordable parking with penalties for drivers who park where they should not park.

The view from my local authority is that in order for it to properly enforce parking in sensible places, current legislation would require it to put up so much signage that there would be a veritable explosion in signage across the country, as well as extra yellow lines. That would be very high-cost and would have an unacceptable visual impact.

On the motorways, physical barriers can be effective, as has been shown at junction 8 of the M20 in my constituency, where permanent bollards have been put up, meaning that lorries are no longer parking on that slip road. However, rather than solving the problem, such barriers only shift it on elsewhere.

Issuing parking tickets is extremely time-consuming for the police. Where lorries are parked dangerously, the police’s priority is to move them along rather than issuing drivers with a ticket, but again that just shifts the problem elsewhere.

Every organisation I have spoken to—Kent police, Kent County Council and the Road Haulage Association—is clear that the current system is not working and has not worked for at least 15 years. While Kent is disproportionately affected, other areas, such as Wales and Essex, are also affected, as my hon. Friend the Member for Cannock Chase (Amanda Milling) said. This is a national problem and not just a Kent problem. Furthermore, it is a national problem because the M20 through Kent is the

in Calais may continue for some time. I hope that it will be resolved, but even when it is, we should not think that the problem will go away, because the underlying problem of a shortage of lorry parking spaces in the south-east will remain.

In preparation for the debate, I have spoken to Kent County Council, which is well aware of the problem and working hard to tackle it. Matthew Balfour, the cabinet member for transport, told me that the council is currently doing a survey of the number of HGVs parking overnight across the county, which will update the figures for how many additional spaces are needed. The council is also looking into where lorry parking might be made available. Councillor Balfour also told me that enforcing parking restrictions is a challenge, and the level of fines tends to be lower than the cost of collecting them. A clamping pilot in Ashford was successful, but it proved prohibitively expensive because the cost of carrying it out was much greater than the revenue it brought in.

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Every organisation I have spoken to—Kent police, Kent County Council and the Road Haulage Association—is clear that the current system is not working and has not worked for at least 15 years. While Kent is disproportionately affected, other areas, such as Wales and Essex, are also affected, as my hon. Friend the Member for Cannock Chase (Amanda Milling) said. This is a national problem and not just a Kent problem. Furthermore, it is a national problem because the M20 through Kent is the
UK’s main route for international road freight, an industry that is worth about £11.2 billion annually to the UK economy. The Government must surely recognise that this is a serious problem that requires a clampdown.

First and foremost, however, we need more overnight parking spaces in Kent. There are not enough commercial truck stops to meet demand, so there is market failure going on. Having said that, my right hon. Friend the Minister will know how much I welcome the Government’s £250 million investment in the lorry parking area at Stanford West. It should save residents and businesses from the gridlock of Operation Stack, which closed the M20 in my constituency for 32 days last year. In addition, as has been proposed in the current consultation on the lorry park, it may also be used by lorries outside of Operation Stack, providing about 500 overnight parking places. That is absolutely crucial and would go a long way towards addressing the shortage of lorry parking spaces in Kent.

However, there is also a question of timing. I appreciate Highways England’s “stack first” approach on the lorry park at Stanford West; Highways England is working to get it open for next summer. However, I have also been told—albeit informally—that it might be several years before the lorry park is ready for parking outside of Operation Stack, which strikes me as being too long to wait. I urge my right hon. Friend the Minister to make sure that Kent and the country’s lorry drivers do not have to wait so long for more parking spaces. Moreover, the Operation Stack lorry park alone will not solve the problem. If the shortfall in 2011 was 600 places, it is likely to be significantly greater now, and it will only grow further. Also, using just one location is not the answer, because lorry drivers use other routes, or they might need to stop earlier or later, so we need more lorry parking spaces all along the trunk roads through Kent.

Freight organisations have said that planning and funding are major barriers. One suggestion is that parking provision should be a requirement in any major industrial development. Major projects, such as the new lower Thames crossing, are on the way, and I would be grateful if my right hon. Friend the Minister could say what steps he might be able to take to ensure that as road capacity is increased with such major projects, lorry parking capacity is also increased to meet the demand.

In turn, however, that prompts the question of whose responsibility it will be to provide such extra parking. In preparing for this debate, it has been unclear to me quite whose responsibility it is to ensure that there is sufficient provision of lorry parking around trunk routes. I would be grateful if my right hon. Friend could say whether it is Highways England or another agency.

In considering what could be helpfully done to address this issue, we need to make it easier for local authorities, Highways England and the police to enforce parking control. Local authorities need to be able to restrict parking in inappropriate places without extensive and costly signing and lining. The police would like police officers and Highways England to be able to direct lorries to move on to a particular place, such as a lorry park, so that they can actually solve the problem when a lorry is parked illegally rather than just shifting it along to another lay-by. At the moment, no sooner do they move a lorry on than it goes and stops somewhere else that it should not stop, and another lorry comes along and fills the place that it has just moved on from, which is a pretty frustrating process for them.

Once sufficient parking provision is in place, I would like the Department for Transport to consider increasing the fines for fly-parking, because it is clear that the current fines are not an effective deterrent. I am not saying that we should increase the fines while there is a shortage of legitimate parking places, but once there is sufficient parking capacity it would make sense to ensure that there is also a sufficient incentive for lorry drivers to use it, even though they are likely to have to pay some level of charge for it.

Local authorities have told me that they need greater powers to collect fines, particularly from foreign-registered lorry drivers, who constitute the majority of lorry drivers using the trunk routes, although I should make it clear that it is not thought to be exclusively foreign lorry drivers who are parking in the wrong places. Judging from the evidence I saw with the police, a mixture of foreign and British drivers do that. Nevertheless, one suggestion from a local authority is that foreign lorry drivers could be prevented from crossing the channel if they have an outstanding parking fine.

To make things really simple for lorry drivers, once there is sufficient parking capacity, could there be some kind of complete ban on HGVs parking for prolonged periods other than at an authorised truck stop? Then it would be really clear that lorry drivers were not allowed to park up for their official rests unless they were in an authorised place.

While I was looking into all of this, it struck me that there is some level of confusion about who is responsible for what, and that there are various hand-offs between the different parts of the road network. What is a police matter, what is a matter for Highways England and what is a matter for local authorities? I wonder whether there is any way of simplifying that framework and having a single organisation that is responsible for the enforcement of lorry parking.

I have a final request to make of my right hon. Friend the Minister. Could he meet Kent County Council and other stakeholders to discuss the problem? That is particularly important now, because there is an opportunity to take a strategic overview of the entire road network across Kent, taking into account the projected increases in traffic and the impact that the new lower Thames crossing is likely to have on roads that are significantly downstream of it. I hope the Government will take that opportunity, because this issue is not just about Kent; it is about making sure that we have a road infrastructure for the whole country that is fit for the future.

2.46 pm

Robert Fello (Stoke-on-Trent South) (Lab): I begin by congratulating the hon. Member for Faversham and Mid Kent (Helen Whately) on securing this debate. I do not intend to say more than a few words on this issue, which is one that I find very troubling indeed. I also draw the Chamber’s attention to my entry in the Register of Members’ Financial Interests regarding these matters.
I would like to highlight the fact that, as the hon. Lady said, across the country there is a shortage of something like 50,000 heavy goods vehicle drivers, so there is a real need for HGV drivers. One of the reasons—one of many reasons, agreed, but an important one—that there is such a shortage is, quite frankly: why would anyone want to be a haulier, for example a long-distance lorry driver, when it seems that the nation’s view of hauliers is that they should be quite happy to park up in a dismal layby, using the nearest bush as their toilet facilities and washing in a cup? That seems to be what we as a nation believe our HGV drivers should expect, because there are just not the proper facilities for them.

There are motorway service areas across the country, which are mainly designed for car drivers in particular and, to some extent, van drivers; they are not really designed for drivers of larger vehicles. The facilities in those service areas, including the parking facilities, are expensive, as the hon. Lady allowed me to say in an intervention on her: the food and drink that they serve are expensive; and the fuel that they sell is very expensive. Quite frankly, the driver of an HGV would not want to stop at one of those service areas unless they were just nipping in to grab something to eat or to have a toilet break. Also, HGV drivers will probably realise that their managers back at base will be breathing down their neck, because the extra fuel it takes to slow down, pull into such a service area and then accelerate away again means that any break or stop by an HGV has a genuine cost.

As the hon. Lady also quite rightly pointed out, HGV drivers are bound by what their tachograph says about the hours they are working, when they should have rest breaks and those sorts of things. However, a driver is dependent on a road infrastructure, while travelling through Kent or through other areas, which means they might face a delay in getting to their destination as they come through the channel tunnel or use one of the ferries, or a delay on the road itself, as they get snarled up in traffic jams. There are a whole host of things that can go wrong for drivers. Despite their careful planning of their route, they might find themselves having to take a break somewhere they might not otherwise wish to stop.

Indeed, given the appalling situation in Calais at the moment, which the hon. Lady has already drawn our attention to, HGV drivers may well decide that they will stop many miles from Calais, to avoid running the risk of being attacked, as a lot of drivers have been, or having their vehicle broken into, or—to add insult to what is quite often real injury—getting to other side of the channel only to find that somebody did manage to stow away on their vehicle and consequently getting a penalty for having brought them into the country. We will have drivers stopping a long way from Calais, doing the run through and having to stop very quickly when they get to Kent. It will be the same in the other direction, with drivers stopping in Kent on their way through. There are a lot of reasons why a driver will stop, and it is not the drivers’ choice. They do not want to stop in lay-bys and use the facilities or non-facilities there. They would like to use motorway service areas, but the cost is often prohibitive. The number of truck stops around the country is lamentable and poor. Where there are truck stops, they are often in places that historically were on main routes but that is now no longer the case because motorways or depots have moved.

It seems—from what I have picked up, this is what the industry believes—that the Government think this is just a commercial matter and the commercial side should just get on and build truck stops if there is such a demand for them. However, the developers that might be interested in building truck stops often say, “In all reality, it is often 10 years before the idea of truck stop produces a truck stop. We can’t be bothered with it.”

My final point is on Operation Stack and the £250 million. I know there is pushback from some people in Kent who say that the lorry park is in the wrong place and that there will still be problems with congestion on the roads getting to and from the location. Time will tell on that one. I have a feeling that they are probably right to be concerned. I hope that what we take from this excellent debate, which the hon. Member for Faversham and Mid Kent initiated, is that we need to start valuing our commercial drivers and give them the facilities they deserve. At a stroke, that would resolve all the problems and appalling situations that local residents have to put up with. They are not the only victims in this, however, and the Government have to do something to take this issue on board and not just leave it to the commercial sector to deal with.

2.52 pm

Damian Collins (Folkestone and Hythe) (Con): I congratulate my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) on securing this important debate and on all her work since being elected to this House in supporting the people of Kent who have suffered blight from congested roads, lorry parking and fly-parking.

The hon. Member for Stoke-on-Trent South (Robert Flicko) said that this issue should not just be left to the commercial sector. I agree, but I am pleased by the big step change we have seen in the past year, whereby the Government have recognised that lorry parking in Kent is a major strategic national issue. It affects the whole county and all the strategic national routes when there is a major cessation in services through the port of Dover and the channel tunnel to the continent and back. It causes severe congestion on a major national route.

There is an ongoing problem with fly-parking because of the sheer volume and number of lorries. As my hon. Friend the Member for Faversham and Mid Kent said, when lorries have reached the end of their permitted time as set out in their tachograph, they legally have to find somewhere to stop. If there are not proper facilities for them to stop, they will stop wherever they can. That is far too often in country lanes and lay-bys and on the roadside and verges, which makes a mess and creates misery for those who live with it day to day. The solution is the Government’s decision, following strong representations by Members of Parliament from across the county, that there has to be a proper facility to provide overnight lorry parking on an ongoing basis and a permanent off-road solution to Operation Stack.

I thank the Minister for the care and attention he has taken on the subject. I also thank the Under-Secretary of State for Transport, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones). He has discharged his ministerial duties with great care for and consideration of the problems of the people of Kent.
My hon. Friend the Member for Faversham and Mid Kent rightly mentioned the problem at the Stop24 service station at junction 11 of the M20, where lorries seeking somewhere to park for the night are regularly turned away. The facility simply is not big enough. The figures given to me earlier this year by Shepway District Council showed that in October 2015, more than 1,200 lorries were turned away. In November, the figure was 1,600. In December, it was 1,700. It is a regular occurrence, and there simply are not enough spaces. To expand the services at Stop24 to allow for permanent overnight parking for 500 lorries is simply a case of meeting the need that is there.

I agree with what has been said: if we create the facilities, lorry drivers should be compelled to use them and not park up elsewhere in villages and on verges. The delivery of overnight parking facilities to prevent fly-parking and not park up elsewhere in villages and on verges is the need that is there.

The delivery of overnight parking facilities to prevent fly-parking and not park up elsewhere in villages and on verges is a major aspect of meeting the need that is there.

The need for an alternative to Operation Stack is a major concern for us, but I want to underline the cost factor. Some have queried whether the lorry park is a good use of public money. The road haulage industry and others have estimated that the cost of Operation Stack to the UK economy is £250 million a day, so the cost to the British economy of one day of Stack is the cost of building the lorry park. It is a necessary facility that can be used to help manage fly-parking. It can relieve the coast bound lanes, such as bad weather meaning that ships cannot cross the strait of Dover or a fire in the channel tunnel. All those things cause delays, and the more freight there is on the road, the more likely there will be delays and the more we will need alternative relief to Operation Stack.

I disagree with the hon. Member for Stoke-on-Trent South about the siting of the lorry park, which is required and absolutely essential. Substantial work was done by Highways England, Kent County Council and other stakeholders, including Kent police, to look for an alternative. Quite simply, if we do not want to shut the motorway, we have to put the lorries somewhere else. They need to be in a place where they can be quickly drawn on and off the motorway network and held securely, close to the channel tunnel and the port of Dover so that the queues can be got rid of and drawn down quickly once the congestion eases. One of the worst aspects of Operation Stack is that once it is fully enforced, it can take up to five days for things to clear, simply because of the volume of traffic and even if the disturbance that caused Stack has long since stopped. The lorry park has to be on a site close to the motorway.

The other important thing—so important in the design of the lorry park that the Government have proposed—is that it is totally integrated with the motorway network, so that lorries can access the park and re-join the motorway without having to use other local roads and cause disturbance. The motorways and A roads should flow as they normally would, even when Operation Stack conditions are in place and lorries are using the lorry park.

The site that the Government have proposed—not just the immediate area around Dover and Folkestone, but the whole county. The attendance this afternoon of my hon. Friend the Member for Shepway has been certainly key to solving the problem of fly-parking, which is unfortunately blighting not just the immediate area around Dover and Folkestone, but the whole county. The lorry park—I know the Minister is well aware of this and is speaking to my colleagues on Shepway District Council about it—is our concern that junction 11 of the M20 should be able to operate normally when Operation Stack is in place. Vehicles using the coast-bound carriageway should be able to exit the motorway at junction 11, even when the lorry park is in use and lorries are being drawn down from the lorry park to re-join the carriageway.

Highways England has highlighted that there needs to be a proper traffic management system in place to enable that to take place safely. It is vital for my constituents that that is designed and in place by the time the lorry park becomes fully operational. That is a major concern for us, but I know that the Department has flagged up that it is working on a solution. No one thinks it is an insurmountable problem, so we want it to be addressed.

On the siting, the response to the initial consultation was absolutely clear. There were 1,300 individual responses, with a clear majority in favour of the creation of a lorry park, rather than continuing to use the motorways for Operation Stack. The respondents supported that solution, and it has my full support, too. It was also important to the people of Kent to recognise that the lorry park is a major piece of national infrastructure and so should be funded by the Exchequer and not by local authorities. We were therefore grateful that the former Chancellor committed the Government to spending £250 million to deal with the blight of Operation Stack.

I know that other colleagues from Kent wish to speak, but I want to underline the cost factor. Some have queried whether the lorry park is a good use of public money. The road haulage industry and others have estimated that the cost of Operation Stack to the UK economy is £250 million a day, so the cost to the British economy of one day of Stack is the cost of building the lorry park. It is a necessary facility that can be used to help manage fly-parking. It can relieve the county of the blight of Stack. I hope that the infrastructure gives us a better facility to manage other issues, including the regular build-up of traffic queuing to get into the port of Dover. Kent needed infrastructure to allow normal life to continue, and at last it will be delivered.

2.59 pm

Craig Mackinlay (South Thanet) (Con): I thank my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) for securing this debate. I have had much correspondence on this issue with the Kent Association of Local Councils—I am sure my hon. Friend has as well—and it regularly fills up my email inbox. It is a struggle to know exactly how to solve it. The Stanford West development will be key to solving the problem of fly-parking, which is unfortunately blighting not just the immediate area around Dover and Folkestone, but the whole county. The attendance this afternoon of my hon. Friend the Member for Cammock Chase (Amanda Milling) demonstrates that this is an issue that extends beyond Kent, across the country.
I want to put a few facts on the counter today. Some 88% of all HGV traffic passes through Kent going towards the Dover ferry port or Eurotunnel and 70% of that traffic passes down the M20 as the most logical high-speed route from the M25 and elsewhere to get there. We have 10,800 freight vehicles—5,400 each way—passing through Kent every 24 hours. As the hon. Member for Stoke-on-Trent South (Robert Flello) noted very well, one of the reasons that Calais is not used is that, in the current environment, lorry drivers simply dare not park for long periods in Calais, as they may need protection from unwarranted and unwanted illegal migrants.

It is not just the primary routes that are suffering. Driving up here from my constituency on a regular basis, I have noticed areas particularly around Cobham. There is a particular on-off road around a petrol station, which is the main route back on to the dualled M2, and which is always chock-a-block with fly-parked lorries. The issue also affects minor roads. It is not uncommon to go anywhere in Kent and see lay-bys, meant for people to take a temporary stop or to dispose of rubbish from their cars, that have become overnight stops. Minor roads are also used. Traffic regulation orders have some value, but local authorities are often hamstrung by fairly limited powers and the difficulty of enforcing any penalty notices they issue. My hon. Friend the Member for Faversham and Mid Kent noted that the fines are so small that the cost of recovering them, using the SPARKS network and the powers under the Local Transport Act 2008, which allow local authorities to pursue foreign fines across borders, is often so prohibitive and aggravating that it is simpler to do nothing.

**Amanda Milling:** Picking up on the point about the nature of the areas where these lorries are parked, does my hon. Friend agree that it affects residents badly, such as those on Leathermill Lane and Love Lane in Rugeley, but it also affects businesses and other organisations in the locality, because they are parking on business parks as well?

**Craig Mackinlay:** My hon. Friend makes a valid point. The problem is that, if a vehicle is properly insured and there is no traffic regulation order to prohibit the parking on, say, a housing estate, under the law the vehicle can park there. It comes down to the lack of facilities that we have. Because of tachograph requirements and driver hours, some drivers are forced to stop wherever they can. That enforces the argument for proper sites across the country to stop that happening.

The mess that is created down the last part of the Thanet Way has been mentioned. I know my right hon. Friend the Minister is familiar with that area. There are four or five lay-bys, which are used overnight. I have cause to stop there from time to time when driving with my dog, so that she can take an appropriate break. I pick up what comes out of my dog, but I sometimes wonder if there have been several inconsiderate dog owners. Sadly, that is not the case—it is human waste and filth, which the hon. Member for Stoke-on-Trent South ably described.

The way to solve the problem is a mixture of carrot and stick. Enforcement notices have a valid part to play. Figures from Kent police, which I think my hon. Friend the Member for Faversham and Mid Kent already raised, show that in the six-month period from December '15 to May '16, 1,354 lorries were moved on and 370 suffered a graduated fixed penalty notice. A penalty notice should be sufficient to prevent those drivers from fly-parking the next time, but, unfortunately, a degree of lunacy comes into play. The Minister might be interested in this point. I have been doing a lot of work in Sandwich to try to stop big lorries going into the town as a result of blindly using the free software on their phones that is designed for cars, not lorries. Thankfully, we now have a 7.5 tonnes traffic regulation order. When it came in, I asked the police what they were going to do to enforce it. There is new signage of course, but the big stick of fining can work when a fixed penalty notice is issued to a UK haulier, because we know where they are and they can be pursued easily through the British legal system.

The problem is with foreign drivers, of which some 65% seem to be the ones responsible across Kent. There is just one handheld machine for taking a credit card across the whole of Kent police. I found that quite incredible. I could set up a shop tomorrow and get a credit card machine in, but Kent police only have one. I am taking that up with the police and crime commissioner.

Cost is the big issue. That £20, or whatever the cost is, is quite a lot of money to the driver or foreign driver and it is not surprising that they want to avoid that. Farthing Corner, one of the key stations on the M2, charges £20 per night—it is not surprising if drivers avoid that charge.

There is a big contrast here with our EU neighbours, who tend to do this better than we have. In France, they have the aires system of truck stops. In Hungary, a place that I am more familiar with—my wife is Hungarian—all main motorways have pull-in areas. They are not full service stations, rather they are off-the-motorway pull-in areas with toilet facilities, called pihenőhely—I will leave a note for *Hansard*. My first time in Hungary I thought it was a place; there seemed to be rather a lot of places with the same name—they are all over the place.

Drivers’ hours are at the heart of this and until we provide proper facilities we are hamstrung on what we can do. Carrot and stick needs to come into play. The provision of areas, at reasonable cost if necessary, is the carrot. I do not know if there will be a cost associated with Stanford West for usual use; I would imagine there probably will be.

**Damian Collins:** The Stanford West site will have lorry parking charges for overnight parking but would be free for use for other means.

**Craig Mackinlay:** That may not solve the problem of overnight fly-parking, because people will want to park for free somewhere else. That is perhaps something we need to pursue.

Once facilities are available, we need the stick: a higher fine. My hon. Friend the Member for Faversham and Mid Kent raised that point. That stick should also be linked with Kent police getting more than one credit card machine—that might be useful. Also, local authorities should take the step to enforce. The cost to local authorities of cleaning up the human waste and rubbish in the lay-bys has not yet been quantified, but it must be substantial. It does little for the general quality of our road network.
Again, I thank my hon. Friend for securing this debate. This issue needs to be solved, because, no matter which part of the country we are in, Kent is very much at the forefront of the problem.

3.9 pm

**Peter Dowd** (Bootle) (Lab): I thank the hon. Member for Faversham and Mid Kent (Helen Whately) for securing this debate. From what colleagues have said, it seems that the problem of fly-parking does not only affect particular areas; my area is pretty badly affected, too. In my constituency I have the port of Liverpool, so colleagues can imagine the amount of traffic that goes along the A5036: about 40,000 movements a day. Not all of them are for the port, but about 10% or 15% are. There is a huge amount of traffic, and lorries make up a huge amount of that figure. We have the problem of fly-parking on that route, and on surrounding roads. I do not think we can get to the point where we finesse this so much that we have a counsel of perfection of what we want to do, but we certainly have to have a clear, much more co-ordinated idea of what we can do to resolve the problem.

All the enforcement in the world will not make much difference unless, as hon. Members have said, we make provision for lorry parks. Even lorry parks will not necessarily be the solution for everyone. There may be different solutions for different areas, and Government policy should reflect the diversity across the country and address the impact that fly-parking has on particular areas. In reality, I do not know the effect that fly-parking is having in Kent any more than colleagues know what is happening in Merseyside, Bootle or Liverpool. However, we recognise that the problem exists and it needs to be dealt with.

On the grand issue of infrastructure, the Government need to recognise that lorry parks should be part of the transport infrastructure. They should not be something that somebody else provides, whether that be local authorities, hauliers or the Highways Agency, or Highways England as it is now known. There has to be a combined and co-ordinated effort by us all to try to find a solution to the problem—a solution that may be different in different areas. We have to recognise that across the piece. There is also, in the grand sense, the issue of thousands upon thousands of lorry movements up and down the country, and it is important to put into the mix the question of trying to move freight off roads and on to rail. We have a multi-modal transport system, and the ability to move freight from roads to rail may be part of the solution. I do not say it would be the whole solution, but a theme is beginning to develop. There is more than one way to skin a cat, and we have to recognise that.

In my area we have a consultation going on at the moment about upgrading the A5036 or having another road going through a country park. The cost ranges from £120 million to £300 million, depending on which solution is arrived at. To the best of my knowledge, although I am willing to stand corrected, as part of the consultation on that potential development, nobody has talked about a lorry park in that huge expenditure. I do not know where the lorry park might be. It is for others to try to determine the best fit and the best solution, but a lorry park should be considered.

We therefore have a consultation being undertaken about a very expensive road to a port that, thankfully, is expanding, but there is no really co-ordinated discussion about lorry access and where lorries may or may not park. If I may say so, this is a good opportunity for the Minister to put my plea into the mix of the consultation. I think that would go some way to helping to solve the problem—not tomorrow, not next year, but perhaps in five or 10 years’ time, because in five or 10 years’ time we could still be talking about this matter and going around the houses.

I am grateful for the opportunity to raise the issues that affect my area. Notwithstanding the points made in graphic detail by my hon. Friend the Member for Stoke-on-Trent South (Robert Flello), it is important that we have everything on the table to get the matter going. Finally, I am really pleased that I had a very light lunch before I came here today.

3.15 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. On behalf of the shadow Transport team, I welcome the Minister to his place. In his reincarnation he brings a wealth of experience to the Department. I thank the hon. Member for Faversham and Mid Kent (Helen Whately) for securing this debate and I pay tribute to her hard work highlighting the inconvenience that fly-parking by HGVs has caused her constituents and others across Kent. I also thank her for highlighting the wider concerns associated with the management and transportation of freight in and around Kent generally.

As we have heard, fly-parking, whereby heavy goods vehicles park in areas not intended for them, such as motorway hard shoulders, rural verges or local streets, is a significant problem both in Kent and across the country as a whole. It is a problem for residents, as we have heard, also for the drivers and, as my hon. Friend the Member for Stoke-on-Trent South (Robert Flello) so graphically illustrated, those who work in the recovery industry. Although fly-parking in Kent is closely linked with the implementation of Operation Stack and proximity to the port of Dover and the channel tunnel, as has already been fully explained by hon. Members, illegal parking by HGVs is a challenge nationwide. There have been shortcomings in the Government’s handling of the road haulage sector as a whole. Of course, fly-parking affects not only Kent but ports generally, as my hon. Friend the Member for Bootle (Peter Dowd) has pointed out.

I will recap the situation, although I will try not to repeat too many points that have already been well made by hon. Members. A study of national lorry parking published by the Department found that on-site lorry parking facilities in the country were unable to meet the demand for spaces. Kent County Council’s 2012-16 action plan stated that problems associated with parking off-site, particularly when close to residential areas, included lorry-related crime; road safety; damage to roads, kerbs and verges; environmental health issues; littering; visual and noise intrusion; and reduced personal safety. The same action plan also cited evidence from the Department, which found that at peak times many on-site lorry parking facilities in Kent exceeded full capacity. For instance, it found that facilities in Maidstone...
were at times 100% full, facilities at Gravesham and Ashford were 75% to 100% full, and facilities in the Medway Council area were 75% to 100% full.

Highways England suggested last year in its consultation on managing freight through Kent that there was a shortage of lorry parking spaces in the county. Indeed, while a number of commercially operated sites exist, they are often full, with lorries being turned away. As we have heard, lorry drivers rightly have to abide by strict rules as to how long they can drive between breaks, and the duration of those breaks, and if no formal parking is available, drivers stop where they can, inevitably leading to fly-parking.

The problem seems likely to intensify. Highways England reported last month that over recent decades the number of lorries crossing the English channel has increased sevenfold. It suggests that almost 90% of all UK roll-on/roll-off international freight goes through the strait of Dover, which means putting 11,000 lorries on Kent’s roads every day. It is further estimated that by 2025 the number of lorries travelling through Kent each day could double, putting huge pressure on the road network.

As I have already suggested, it is difficult to discuss the problems associated with the inappropriate parking of HGVs in Kent without talking about Operation Stack. As we have heard, in the summer of 2015 Operation Stack was implemented on an unparalleled scale, which the hon. Member for Folkestone and Hythe (Damian Collins) detailed fully. It clearly caused severe disruption to communities in Kent, the local economy, and the road haulage sector because it was in place almost continuously between 23 June and 1 August 2015.

It has been suggested by some that the Government’s response to the trials of that summer—the idea of building a lorry park the size of Disneyland California and larger than the Vatican City—could kill two birds with one stone, because it could keep freight moving irrespective of cross-channel disruption, and also circumvent fly-parking by providing additional on-site capacity for parking HGVs. Indeed, the Government’s consultation on the location of the lorry park had the stated aim not only of “seeking to solve the problems associated with the queuing which arises whenever there is a lack of capacity at the Port or Eurotunnel”, but also of asking “whether a permanent lorry area could help address the issue of illegal and other inappropriate parking.”

In August, Highways England said it was exploring whether to use the planned Stanford West lorry park, which will have considerable capacity, to hold 3,600 lorries, provide overnight lorry parking, and stop lorries parking on roads not intended for their use. Building work on the site is due to start “as soon as possible”. I know that Kent Members have broadly welcomed the building of the facility, but it is worth pointing out that Stanford parish council has expressed concerns, as does the Kent branch of the Campaign for Rural England. That is hardly surprising, but the local communities that will be most closely affected should always have a full opportunity to be involved throughout the decision-making process.

Damian Collins: The hon. Gentleman will be aware that although Stanford parish council objected, the proposal has the support of the county and district councils, and overwhelming support from the people who responded to the initial consultation. We are responding to what residents want, and are being directed by the responses to the initial consultation on the siting of the lorry park.

Daniel Zeichner: I appreciate the hon. Gentleman’s comments; as I have suggested, it is perhaps hardly surprising that local communities may express concerns in such processes. Whatever the consensus, the Select Committee on Transport has been more directly critical, and has questioned the wisdom of building a permanent lorry park for the considerable sum of a quarter of a billion pounds. It has suggested that so far the Government have proved neither that the benefits will outweigh the costs of construction, nor that the lorry park will ultimately help to keep the M20 open and traffic flowing. In the view of the Committee the decision is both hasty and disappointing, and has been made despite a lack of information and analysis. There has been little certainty about how the lorry park will be operated and the costs of doing so.

It is right that the Government should work to find an alternative to Operation Stack that will not bring Kent grinding to a halt and that will improve driver welfare. It is also welcome that direct access to the lorry park from the M20 will be provided, to avoid a detrimental impact on the local road network. Yet creating a huge lorry park in one location does not really address the wider problems that are manifest in the sector. It is also perhaps worth noting in passing that the cost of the lorry park is roughly equal to the entire annual cycling budget.

I fear that a new lorry park may have much less impact than hoped in terms of providing a solution to fly-parking by HGVs in Kent. The Transport Committee heard strong arguments that parking capacity to address fly-parking is needed across much of Kent, rather than concentrated in a single location. That, as has been mentioned, is because drivers are compelled to stop as and where they can when they have reached the limit on the number of hours they are legally allowed to drive. Furthermore, the Committee has pointed out that the provision of further paid-for parking capacity will not address the problem of those drivers who fly-park to save money, as the hon. Member for South Thanet (Craig Mackinlay) pointed out to us. In fact Kent County Council also suggests that the causes of fly-parking are “excess demand, the cost of using truckstops and sometimes unclear signing.”

We really need more smaller, cost-effective parking facilities in several locations across Kent, as well as across the entire country. As my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), who chairs the Transport Committee, said: “Before a spade is put in the ground, the government must show it has given proper consideration to all possible alternatives.”

Damian Collins: With respect to the Committee, people have been looking at this issue for decades, and a huge amount of work has been done. The Transport Committee may have given itself a few weeks to look at it, but the consultation is very detailed and the result of many years’ work. Any solution will also pose questions, but the reason for the lorry park’s size, and for where it is sited, is that it is big enough to hold Operation Stack
channels 1 and 2, which is what we have 95% of the time. It is where the police and Highways England say it needs to go, which means that it is integrated into the motorway network and is as close as possible to the channel tunnel and the port of Dover.

Daniel Zeichner: The hon. Gentleman makes his points forcefully, but I am merely pointing out the issues raised by the Transport Committee, which I think are certainly worth considering. It has proposed a range of alternatives that should at least be considered, including upgrading the M20 and the A2/M2, increasing the capacity of cross-Channel services or, crucially, building a network of smaller lorry parks. Indeed, one could say that what is needed is a comprehensive plan to deal with the issues facing the freight industry, as comments by my hon. Friends have already suggested. Many of us would like a modal shift to rail, in particular, to decrease congestion and take the pressure off our roads, as my hon. Friend the Member for South Thanet (Craig Mackinlay) said—incidentally, I do indeed know the Thanet Way extremely well, and was in Broadstairs on holiday again this summer—there is a question of incentive, or carrot, and penalty, or stick, in dealing with the problem. I shall try to deal with both carrots and sticks in my short and pithy but none the less impressive speech.

The last national survey, in 2011, suggested that facilities on or near the strategic road network were underutilised, on average, across England, but not in Kent, where there are particular problems, which local stakeholders have reported repeatedly.

Robert Flello: It is good to see the right hon. Gentleman return to the Department. He referred to the study on underutilisation, but the big problem is that a lot of the stops are in the wrong place. It is not surprising that they are underutilised outside Kent, because they are not where the lorry drivers want them to be.

Mr Hayes: I am inclined to agree with that, which is why I want to do a new piece of work on it. I have decided today that, as a result of this debate, we will look at the issue afresh. We need to do a new study that takes account of the current circumstances and the distribution of supply and demand, as the hon. Gentleman says. I send a message to Members in this Chamber and to my officials, whom I like constantly to surprise, that we will, as a result of this debate, have a fresh look at the provision and location of parking space. The hon. Gentleman is right.

Sir Roger Gale (North Thanet) (Con): I do not wish to try your patience, Mr Turner, so I will endeavour to be as brief as I can.

It is vital that we, as Kent Members, make the point that if the taxpayer is to get value for money, the lorry park proposed for Stanford West needs to be a 24-hour, 365-days-a-year facility, not just an Operation Stack facility. That will take a considerable amount of pressure off the M20 road system, but it will not help the M2, the A2 or the Thanet Way, which my right hon. Friend the Minister knows very well.

Given that we cannot waste Manston airport as an Operation Stack overspill for much longer—we need it back as an operational airport as quickly as we can—will my right hon. Friend the Minister undertake to look very carefully at Brenchley Corner when that bit of the road system is sorted out properly? There is an opportunity there to create some lorry parking. When the gap in the A2 between Canterbury and Dover is dealt with, can we also look very seriously at parking facilities there? It really is time that we learned one or two lessons from the French.
Mr Hayes: It is right that we look at this issue more widely, and not simply at the provision of this additional facility. We must look both at the capacity challenges on the roads to and from Dover and, as my hon. Friend says—he has comprehensive knowledge of the locality—at additional facilities that could be put in place above and beyond the advantages we will get from the large new park. I will talk a bit more about that in a moment. I take my hon. Friend’s point. We should consider these things strategically, as a number of hon. Members, not least the hon. Member for Bootle (Peter Dowd), have suggested, rather than on a piecemeal basis. My hon. Friend has made his point powerfully, and I will ensure that it is built into our thinking.

The clearer picture that I seek through that fresh strategic work will be conducted with Transport Focus, to understand better the current provision and road users’ expectations. As well as looking at the impact of Operation Stack, we will take account of projections of the growing use of the road network in Kent and elsewhere—this is not just an issue for Kent, as a number of hon. Members emphasised, including my hon. Friend the Member for Cannock Chase (Amanda Milling).

Operation Stack is only ever used as a last resort, but as my hon. Friend the Member for Folkestone and Hythe said, that last resort might be brought about by a variety of causes. Its growing use at a particular period of time is illustrative of precisely that.

Damian Collins: My right hon. Friend is absolutely right that it is used only when necessary, but the trouble is that there is no alternative to its use. If the port or the channel tunnel is not operational, at the moment there is no alternative other than parking the lorries on the motorway. That is the nub of the problem, which is why we require a different solution, and we are glad that the Government have found the resources and strategy to implement it.

Mr Hayes: Yes, and when Operation Stack is used it demonstrates just how significant the effect of the disruption on the M20 can be on businesses, local people and hauliers themselves. That is why I am determined to deliver an alternative solution. As my hon. Friend the Member for Faversham and Mid Kent said, we have committed £250 million for the lorry area, and now we are looking to make that a reality. I take the shadow Minister’s point that that needs to be done carefully and on a considered basis. We must not rush into this. We need to take into account all cost-effectiveness measures. This will be a significant project, so it has to be done properly and cautiously. That is an argument not for delay but for getting it right. I am sure all hon. Members in this Chamber and beyond want that to be the approach adopted by a responsible Government.

Helen Whately: It is a significant project, so it has to be done properly and cautiously. That is an argument not for delay but for getting it right. I am sure all hon. Members in this Chamber and beyond want that to be the approach adopted by a responsible Government.

Mr Hayes: I can see that my hon. Friend wants to add further value to these considerations.

Helen Whately: I thank my right hon. Friend. The Minister for his thoughtful and full response. I want to emphasise the point about the Operation Stack lorry park, about which my hon. Friend the Member for Folkestone and Hythe (Damian Collins) is incredibly knowledgeable; he has done a huge amount of work on it. As he said a moment ago, it has been talked about for at least a decade, yet nothing has happened. Although it should not be rushed—it is a substantial investment—the desire to get absolutely everything right needs to be balanced against the need to ensure that we do not have another summer with Kent at a standstill, with all the awful knock-on effects. Can we manage doing it carefully alongside getting on with it?

Mr Hayes: My rich experience of Government, to which the shadow Minister so generously alluded in his welcome, has taught me that there is always a plausible argument for doing little and a pretty convincing one for doing nothing. I am not inclined to fall foul of either of those approaches, but it is important that we do this in a way that takes local stakeholders with us, takes local authorities’ views into account, engages the local community, is satisfactory for hauliers and becomes an attractive option for them as well as a necessary one when stacking occurs. A number of hon. Members said that the facility needs to be available above and beyond Operation Stack, for the very reason that led my hon. Friend to bring the debate to the Chamber today.

Damian Collins: The Minister is being very generous in giving way. I thank him for making that point. Although I and my county colleagues regard the creation of this facility as vital, we need to take into account the needs of a number of residents who live close to the site and have very special needs. Special consideration must be given to the needs of the residents and businesses. I know that the Department has already flagged up that issue and is looking at it in detail, and I am glad that the Minister has made that point.

Mr Hayes: That is one of the reasons why I am going to Kent tomorrow. My hon. Friend is right that we need to take fully into account the specific concerns in the locality. I will ask Highways England to work closely with residents and local stakeholders to ensure that the design of the new lorry area minimises the social and environmental impact while addressing this issue for users of the road network. Highways England is also exploring the use of the lorry park for the overnight parking requested by my hon. Friend. We are seeking feedback through the consultation, which, as my hon. Friend the Member for Folkestone and Hythe and others know, is going on presently, on how that can and should work.

This is not just about Operation Stack and the new facility. It is a national problem that requires the Government, local authorities and industry to work together. Overnight parking of HGVs on the highway and in various business parks has been a significant and growing problem for a considerable time, and the wider effects are various. There is a problem with noise, nuisance, litter, safety and environmental damage, as a number of hon. Members described. Dogs were brought into the equation by my hon. Friend. Friend the Member for South Thanet, who said that the solution requires a carrot and a stick. I thought it should be a bone and a stick—the stick to throw and the bone to feed.

Nevertheless, a variety of challenges arises from that important concern. To that end, I want to have ongoing discussions with motorway service area and lorry park operators and with the freight industry. I want to see
what can be done nationally to improve the availability of quality, safe and secure parking areas. In Kent, Members, councillors and others will play their part.

I am aware of illegal parking by HGVs on the hard shoulder of motorways and local roads in Kent. On the motorways, last winter, in a concerted effort by Highways England and Kent police called Operation Kindle, Highways England traffic officers patrolled key locations systematically and advised drivers of illegally parked vehicles to move on. If they did not do so, the traffic officers informed the police. Fixed penalty notices were issued—if drivers refused to pay, their vehicles were moved to a secure location where they were immobilised until the fines were paid. Graduated fixed penalty notices allowed officers to issue cumulative fines measured against the number of offences and their severity. I understand that operation to have been successful in clearing the targeted areas. For example, on the night of 9 December last year, the police moved on 153 illegally parked vehicles on the M20 and M2, and more than 50 drivers were fined.

Many such vehicles are foreign-owned, which causes a particular problem, as changing the law to allow enforcement of tickets given to foreign-registered vehicles would require an international treaty. When I was told that by my Department, I said that I would quite like to sign an international treaty—it sounds so grand and important, doesn’t it? If that is what we need, that is what we will do, make no mistake. The important thing is to solve the problem, not to focus continually on the obstacles to doing so.

Robert Fello: I thank the Minister for giving way. He is being generous with his time.

Forgive me if I have the figures slightly incorrect, but I understand from the Department’s own statistics that in the past two years alone there has been a 50% increase in the amount of freight carried by overseas-registered vehicles, so the issue will grow and grow. The sooner those treaties are on his desk and his pen is in his hand the better—that sounds like a very good move.

Mr Hayes: The treaty is not on my desk yet—I would not want to deceive the hon. Gentleman or anyone else. Certainly, however, we need to find the solution to the problem of foreign-owned or foreign-driven vehicles. Even if we get the rest right, if we do not solve that problem I suspect we will have only a partial success. Whether any solution involves clamping or seizing those foreign-owned vehicles I do not yet know, but I will certainly ask for further advice on what might be done to tackle that particular issue, which he is right to emphasise again.

Let me sum up and move to my exciting peroration. My hon. Friend the Member for Faversham and Mid Kent asked for many things. She focused her attention on the possible benefits of any solution for Operation Kindle, emphasised that point—and we will certainly consider that. She asked me to be more specific about the timing of the provision of a new lorry park, and I will endeavour to do that. I want to get this right, and she is right that if we are to do it, we need to set out a timetable for it, so I understand the anxiety that we should do so. She and others have made that point well. She talked about enforcement and fines, which I will come on to in a moment, and about foreign vehicles, which we have heard about, and she also called for a meeting.

Let me tell the House what I think we should do. I take the view that debates in Westminster Hall and elsewhere in this place must deliver outcomes, rather than simply allow Ministers to repeat what they have already thought or, more especially, been told. This is what we are going to do: I will look at whether we can improve enforcement, if necessary through a change in the law. If we have to put in place new measures to allow enforcement, we will look at doing so. I will seek further advice on that, and will bring further information to the House accordingly.

I am happy to look at new long-term solutions for overnight parking. We also need more information—reasonably quickly, actually, as we cannot delay further—because relying on a survey from some time ago is not good enough. I am happy, too, to approach hauliers’ groups directly about the advice they give to drivers. My hon. Friend the Member for South Thanet made a point about sat-nav, which, personally I do not use, of course, but I understand others do. It can often divert people, unhappily, to routes that are not only unhelpful but injurious to the interests of local communities. We need to work with hauliers on that, and I am happy to meet the Road Haulage Association to talk through what advice it might provide to drivers about parking. I will do so as a result of this debate.

I want to do more on litter. Litter came up in the debate, but I did not raise it with my officials earlier, so this is another delightful surprise for them. I want to do a lot more about litter. I began the fight when I was previously in the Department, but I was moved on to the Home Office and was not able to complete the work. We need to do a lot more about litter in areas such as lay-bys, but also more widely on our road network.

At root, of course, the problem is one of how people treat litter. If they throw things out of car windows, it is pretty hard for Highways England or any local authority to cope. None the less, we can do more about the provision and emptying of bins and the clearing of lay-bys. Also as a result of this afternoon’s debate—I have listened carefully to what people have said—I will ask Highways England to look again at a new initiative on the littering of our roads and, in particular, areas where people stop or park.

I want to look at motorway service areas. A point made forcefully by a number of hon. Members was that the alternatives to parking in lay-bys are not sufficiently attractive. That is sometimes to do with the security of those areas. Someone who parks overnight in a heavy goods vehicle will be concerned about who might get access to that vehicle. The provision of adequate security at the alternative sites is an important element of the solution. I want to look at motorway service areas, the kind of alternative that they are offering, the security of that alternative, its attractiveness and, by the way, its cost. As a number of hon. Members highlighted, if something is too costly, drivers will avoid it. We need to look at whether the better offer, as it were, is competitive and attractive.
**Sir Roger Gale:** Briefly on that point, when my good friend Robert Key, the former Member of Parliament for Salisbury, was Roads Minister—when God was a boy, that was how long ago it was—I put it to him that the French road system has regular aires de repos. I was told by Robert that the British road system could not accommodate such areas because land was too scarce and journey distances too short. We can live with that no longer, and we have to get to grips with the situation. We absolutely have to provide off-road, properly landscaped areas, with lavatory facilities, and with parking not only for domestic cars but, significantly, for lorries. It is time we did that.

**Mr Hayes:** I agree. My hon. Friend is immensely widely travelled, which is why he is so well informed. I tend to limit my own travel to the east of England, which means that I am not as well informed, and therefore rely on advice that I receive from him and others. I will say, however, that part of this business of looking closely at the provision of parking for HGVs is to consider more widely—as he has just described—the sort of roadside services that we provide generally. I am not convinced that the roadside services that we provide in this country are generally good enough. Of course there are exceptions, and I recognise them, but again as a result of today’s debate, I may ask for some further work to be done on the quality of roadside services more generally—the problem we are discussing is a part of that issue. My hon. Friend makes a powerful point, based on his wide travel and deep understanding of all such matters, that encourages me to do that. I have already mentioned foreign drivers, and that is in response to my study and the argument that has been made by a number of colleagues.

Finally—I hope that this will excite my hon. Friend the Member for Faversham and Mid Kent and others—I am more than happy to agree to a meeting, but I do not think that we should have just a small and insignificant meeting, not that any meeting with me is insignificant. We should have a round-table meeting with the people I have described. We need the hauliers; we need the providers of private lorry parks; we need the motorway service stations; we need the local councillors; and we need colleagues—and the meeting needs to be bipartisan. I am very happy to agree now to hold that kind of round-table meeting, where we can thrash out the range of important issues that have been raised in the debate.

Returning to where I started, I strongly support the principle and practice of moving goods by road. That is an important part of what we do as a country—let us be clear about that—but it needs to be done in an ordered way. Edmund Burke said:

“Good order is the foundation of all good things.”

My friend Evi Williamson, with whom I was discussing this very issue yesterday, affirmed just that idea in anticipation and preparation for the debate. The ordered use of our roads and ordered parking are beneficial to those who park and all those whom they affect. That is precisely why my hon. Friend. Friend has brought forward this debate in her constituents’ interests, championing their wellbeing as she always does. She can be assured that my Department and this Minister will respond in the same spirit. I thank her again for giving me the chance to give those particular and specific commitments in response to this important and valuable debate.

**Mr Andrew Turner (in the Chair):** Helen Whately may wish to sum up.

3.52 pm

**Helen Whately:** Thank you very much, Mr Turner; I will do so briefly. I thank colleagues from Kent and elsewhere for their helpful contributions and the knowledge that they have brought to the debate from the perspective of residents, drivers and road hauliers, which has made this conversation valuable. I also thank my right hon. Friend the Minister for his comprehensive response and the list of actions that he will take, which makes me feel that this conversation has been worthwhile. I look forward very much to following up with him in due course on his progress.

**Question put and agreed to.**

Resolved.

That this House has considered fly-parking by HGVs in Kent.

3.53 pm

**Sitting suspended.**
Enderby Wharf Development

[MRS ANNE MAIN in the Chair]

3.56 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I beg to move,

That this House has considered Enderby Wharf development in Greenwich.

It is a pleasure to see you presiding, Mrs Main. I am pleased to see the Minister in his place; as the Minister for Housing and Planning and the Minister for London, he is the perfect person to respond on behalf of the Government. I am sure that he will have been briefed, and I hope that he can assist us. It is no surprise to see my hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook), who has worked hard on this issue.

I first raised concerns about the Enderby Wharf development in 2014, when the matter was brought to my attention by my constituent Ralph Hardwick, who was subsequently joined by Howard Wynne, Martin Young and many others. Although this issue is one sense complex, it is essentially simple: it is about air quality. As the Minister will know, there is a lot of evidence of the poor air quality in London. Evidence reported by the Evening Standard and others demonstrates that EU and UK Government clean air targets have been breached. There is clear evidence of the impact of poor air quality on human health. It adds significantly to the number of premature deaths and impairs our children’s healthy development.

Those data are not in dispute. We know that we have poor air quality and we know about its negative impact on our health, so why on earth are we allowing additional emissions to be pumped into our atmosphere in the centre of our great city, prospectively 24 hours a day, 155 days a year, by some of the biggest diesel engines ever seen on the Thames? Not only that, but why are we doing that when there is a simple, affordable and—most importantly—clean alternative already being used by other European cities and international ports? Indeed, it is required by many.

We are talking about cruise ships being moored on the Thames between Greenwich and Tower Hamlets. Let me be clear: I support the building of the terminal. Tourism is very important in London and we need the homes. I support more use of the Thames for business, commuting and tourism, since that is still cleaner and more efficient than other modes of transport, such as road transport. As a former shipping Minister and shadow shipping Minister, I also support the development as well as shipping generally, but why require these visiting vessels to run their diesel engines for the duration of their stay in London when a shore-to-ship energy source could power the ships more efficiently and more cleanly? Why not? This is where it gets complicated.

That is not required because there are no rules, regulations or laws obliging ships to connect to the grid. I have been raising this matter since 2014, when I wrote to the shipping Minister at the Department for Transport, but apparently it is not a transport issue. I wrote to the Planning Minister, the Minister’s predecessor, at the Department for Communities and Local Government, but apparently it is not a planning matter—certainly not for the Government. I wrote to the air quality Minister at the Department for Environment, Food and Rural Affairs, but it is not singly an air quality issue, except that it is, it is and it is all three. That is the problem: nobody has sole responsibility for this issue.

The Royal Borough of Greenwich is not—or was not—empowered to make it a planning requirement. It could have made it one, but I understand that it was advised against that and it was worried about legal challenges because it would have had no legal authority to require the developers to connect to the grid and use a shore-to-ship power supply. Therefore, although it cannot be held wholly responsible, it is the start of the problem.

The London Borough of Tower Hamlets has no locus because the development is on the south side of the Thames, even though Tower Hamlets residents—my constituents—will be primarily affected. The Port of London Authority has no locus for land-based developments. The Greater London Authority cannot overturn the decision of the Royal Borough of Greenwich because it is a local planning matter. I understand that the former Mayor of London reluctantly approved the scheme because he could not challenge it and although the new Mayor of London, our former right hon. colleague, is taking a keen interest in addressing poor air quality, there is no power to overturn the decision of the Royal Borough of Greenwich.

The constituents of my hon. Friend the Member for Greenwich and Woolwich who comprise the East Greenwich Residents Association and others have tried legal challenges, but so far there has been no success there, either. Therefore it is down to the developers, who could do the honourable thing and build a power source into their new development and still show a healthy profit, but they do not have to do that and, if that is not a requirement, why should they do that? Why should they do it? Because it is the right thing to do. The amount of money they would have to spend on that compared with the profit to be made off the site is negligible. I will come back to the developers later.

After I went through all the other Departments and having submitted a number of parliamentary questions and raised the matter in the Chamber, in Westminster Hall and in a variety of debates, the previous Minister of State responsible for air quality at DEFRA, the hon. Member for Penrith and The Border (Rory Stewart), before he was reshuffled, had promised to bring all the players together around the table to see if a voluntary deal could be agreed. However, he is in a new position and we, as Members of Parliament, local residents and campaigners, are almost back at the starting gate. As I explained informally to the Minister just before the debate started, it almost feels as if we are starting over again. We have had two years of campaigning on this, so I hope it will not take us two years to reach what I hope would be a successful conclusion. My question to the new Minister is: will he convene the meeting that was proposed and promised by the previous Minister at DEFRA, with his air quality ministerial colleague at DEFRA or off his own bat, because he outranks her, to get together with the developers, the Royal Borough of Greenwich, my hon. Friend and I to see if there is a way forward? Will he also look at the aspect of the planning regime and bring forward proposals to close the gap that exists not just for London but for other ports
around the country? Especially with Brexit having been approved, we do not need European permission to introduce new regulations—even though other European ports in countries that are members of the Union do have such regulations while we do not. Why are we second class citizens when we could improve the situation for residents of our great ports and great cities?

The Minister may well be aware that the Select Committee on Environment, Food and Rural Affairs recently held an inquiry into air quality. It looked specifically at this issue.

Rebecca Pow (Taunton Deane) (Con) indicated assent.

Jim Fitzpatrick: I can see that the Minister's Parliamentary Private Secretary is nodding. She and I are on the Committee and she will remember the exchanges with the air quality Minister. We looked specifically at this issue. Our report is about to be published—in fact, I am surprised to see her here because the report is being discussed right now in the Select Committee. We should both be there, but obviously we are here for this debate.

I am not aware of the final recommendations, nor the Government’s response because that is being discussed, but I hope that the Minister will look closely at that report when it is published this weekend. I would be happy to meet him to examine that aspect of the report, because I am pretty confident that the matter will be covered, that there will recommendations and that there will be a Government response, which may move this matter on.

In terms of the developers, Barratt, I checked its website this morning, which advertises properties at Enderby. There are some lovely graphics that advertise flats from £425,000, which I suspect is a one-bedroom version, to £785,000, which I suspect is for the three-bedroom versions. It says that residents will be the “envy of south London”, with views of Canary Wharf and the City. I was curious about why the balconies of the flats are enclosed in glass. Every other development that has taken place in east London that has balconies has left them open to the air. Given that I have been here 19 years, I am a cynical person. Perhaps it is because the developers do not want diesel fumes from the cruise ships coming into the brand-new flats that they are selling for £700,000-plus. As I said, that is my cynical interpretation—that may very well not be the case.

I have to say to Barratt that I expected more from it, being one of our premier building corporations. The development should be an even better showcase, not a cheaper, second-best, dirtier option. It would not surprise me in the slightest if the matter has been raised internally. These days, shareholders take a much greater interest in environmental responsibility and community responsibility and I hope that Barratt might be prepared to engage with us in respect of what more it can do to improve what we know will be a very difficult situation.

As I described at the start, this is a simple matter of air quality and trying to improve that which we have in London by not adding to the emissions already present owing to an absence of regulation. We have DCLG, DEFRA, DFT—the Department of Health will be picking up the pieces—RBG, LBTH, PLA, GLA and the Mayor of London, and no one is able to sort this out to the satisfaction of the residents. We all know that transport contributes about 20% to 25% of emissions and shipping is a fraction of that total, but, for those living on top of the new cruise terminal, that will be a significant contributor to poorer air quality as well as that of their community, east London and London generally.

Something needs to be done. We need a champion in Government. We almost had one, but he has been reshuffled. I say to the Minister: there is a vacancy, sir. He could fill that job and be the saviour who makes sure that air quality in London does not deteriorate any further. I hope he will think seriously about this issue, be that champion, engage with my hon. Friend the Member for Greenich and Woolwich and me, the Royal Borough of Greenwich and the developers and try to ensure that the situation not only does not deteriorate any further but improves and gives a lead to ports and cities around the rest of the UK to ensure that no one else finds itself in a similar situation.

4.8 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): Thank you for allowing me to catch your eye, Mrs Main. It is a pleasure to serve under your chairmanship. As my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) said, this is an extremely complex and contentious matter and we have only a short time for the debate, so my remarks will be brief. I congratulate my hon. Friend on securing the debate, which is of the utmost importance to our respective constituents.

Very few of my constituents are implacably opposed to the siting of a new cruise liner terminal at Enderby Wharf. Indeed, most recognise that the new terminal has the potential to make a positive contribution to Greenwich in terms of boosting tourism, creating jobs and supporting local businesses. What they will not accept—they are right not to do so—is those benefits coming at the expense of local amenities and air quality. Air quality is not a frivolous concern: the toxic and illegal levels of air pollution across our country and in our capital are an invisible hazard that contributes to the ill health and premature deaths of tens of thousands of people each year. It is nothing short of a public health crisis and it is one that requires a response commensurate with the harm it is causing. We know that shipping emissions in the form of nitrogen oxide and sulphur, as well as sulphur, are a major source of that pollution. Indeed, if things are left as they are, shipping will be the biggest single emitter of air pollution in Europe by 2020.

In recent years, a range of technical measures to reduce harmful emissions from ships have been introduced—the addition of scrubbers and the adoption of cleaner fuels to name but two—but none is a panacea. For example, low-sulphur fuel reduces sulphur dioxide levels and some particulate matter but does not remove all harmful toxins. Given the potential health implications of constructing a cruise liner terminal that would berth vessels emitting hazardous toxins into the air in the vicinity of a high-density residential area that is already an air pollution hotspot, it is little surprise that local residents and the East Greenwich Residents Association have organised to oppose it. As my hon. Friend the Member for Poplar and Limehouse said,
what makes many of them particularly angry is that when it comes to this unique scheme, there is an obvious solution already available: ship-to-shore power, or “cold ironing”.

Before planning authorisation, the developers and their consultants provided the Royal Borough of Greenwich’s planning board with an assessment that asserted that cold ironing was not feasible in this instance for three reasons. First, they argued that very few cruise ships worldwide have the ability to link up to shore-based power. Secondly, they argued that ship electrical requirements differed from those supplied by the UK national grid, meaning that an on-shore power supply would be an extremely complex task to undertake in this instance. Thirdly, they asserted that the costs associated with providing such facilities could be prohibitive to both the provider and user.

The independent consultants tasked by the council to look over the assessment accepted each of these arguments. However, I remain unconvinced that each has been properly investigated. It may be that only a small proportion of cruise ships worldwide are currently equipped with the necessary technology, but most operators are fully aware that shore-to-ship power is the future, that a growing number of ports in north America, Asia and Europe are investing in it, and that they will have to adapt at some point in the future. The electricity grid and on-board ship systems do use different frequencies, but the technology exists to render them compatible.

What is disappointing in the case of the Enderby Wharf terminal is that the developers have made seemingly little effort to explore the range of grid connections that might have been available through the various distribution network operators that serve the area. There are upfront capital costs to install shore-to-ship power infrastructure, but there are good reasons to question whether such costs are necessarily prohibitive over the long run. Indeed, several studies suggest that over time there are significant savings to be made for cruise lines in terms of fuel not expended while stationary in port, which could easily, with an agreement, be shared between the terminal operator and the cruise lines.

What is required in the case of Enderby Wharf is a serious examination of the feasibility and benefits of installing shore-to-ship power—not just today but in terms of the cost of avoiding the expense of retrofiting the terminal in the years ahead—and, more importantly, a genuine willingness on the part of those involved to approach the issue with an open mind. I hope the Minister will give us his thoughts on how such a process can be initiated. If, instead, the developers insist on ploughing ahead with the scheme as currently proposed, they will do so in the face of widespread hostility from the local community and continuing negative coverage before a single shovel has even been put in the ground.

4.13 pm

The Minister for Housing and Planning (Gavin Barwell): It is a pleasure to serve under your chairmanship for the first time, Mrs Main. I congratulate the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) on securing the debate and the hon. Member for Greenwich and Woolwich (Matthew Pennycook) for his contribution. They both vividly described their constituents’ concerns about this particular development and were both powerful advocates for the communities they represent.

I will start by addressing one of the points that the hon. Member for Poplar and Limehouse made at the outset, which is that this is a complicated issue because it engages the policy of a number of different Departments. I am determined to do my best to speak not just on behalf of my own Department, but for the Government as a whole. When I was a constituency MP, one of the most frustrating things was receiving piecemeal responses from different bits of the Government on a complex issue, so I will do my best to respond to all the issues that he so forcefully raised.

If the hon. Gentleman will forgive me, I will start with the issue that I am responsible for—the planning history in relation to the site. He made one point particularly powerfully: that the planning system has a difficult job to do, because it has to balance competing interests. He was commendably honest in saying that there are a lot of good things for London about the development, such as the contribution it will make to our tourism and the new housing units that will be built, even though they may be more expensive than the three of us would wish to see given the needs of Londoners and their ability to afford them.

By way of background, I point out that planning permission for a new docking jetty for cruise ships, plus a hotel, residential units, a skills academy and other infrastructure, was originally applied for in November 2010 and was granted by the Royal Borough of Greenwich in March 2012. As part of that planning application, planning obligations of about £400,000 towards the monitoring of emissions and improving air quality in the immediate vicinity were agreed. My Department did not receive any requests for the Government to call in the original planning application.

A further application was submitted last year to revise the terminal element of the development and other features, including by replacing the hotel with two residential towers. The 2015 proposal was subject to an environmental impact assessment, which identified no significant impact on local receptors. Though it was technically outside the scope of the application, because the principle of the jetty had already been agreed to in the original application, my understanding is that the Royal Borough of Greenwich commissioned consultants to undertake a detailed air quality assessment. The results of that assessment showed that vehicle emissions would not lead to any exceedances of the relevant air quality objectives for all pollutants, with the exception of short term nitrogen dioxide concentrations, which I think we would all agree are still a very serious issue. Those concentrations were calculated using the worst case scenario, and the results showed that it was highly unlikely that they would combine to result in exceedances of the directives. Interestingly, there was also no objection from the Environment Agency in relation to the application.

A number of residents in the constituencies of the hon. Member for Poplar and Limehouse and for Greenwich and Woolwich have recently campaigned vigorously against the development on air quality grounds, as has been explained, and asked for the 2015 application to be called in. I think the hon. Member for Poplar and Limehouse also wrote to the former Secretary of State, my right hon. Friend the Member for Tunbridge Wells
issues in the determination of planning applications.

As the hon. Member for Poplar and Limehouse said, a resident then took the case to judicial review, on the grounds that Greenwich council had failed to require, or take into account the need for, an assessment of the total cumulative effect on air quality, including the effects of ship emissions. The High Court held that Greenwich council had considered the air quality issues in line with the relevant planning policy and guidance, and had made no error in law in its decision.

On air quality as a whole, as a Londoner I completely understand the strength of the concerns that local residents have expressed and that the two hon. Gentlemen have articulated in this debate, including the cumulative impact on local air quality. It is worth remembering that, since December 1997, each council in the UK has had to carry out a review and assessment of air quality in its area. If a local authority finds places where the objectives are not likely to be achieved, it must declare what is called an air quality management area. It is an indication of the scale of the issue that we face in London that the entire borough of Greenwich is designated as an air quality management area. Anyone listening to the debate will understand why both residents and their representatives have particularly strong concerns about the issue.

The planning policies and guidance issued by the Government include strong protections to safeguard people from unacceptable risks from air pollution, and new regulations on sulphur emissions from ships have also recently come into effect. The national policy statement for ports is clear that decision makers—in this case, the Royal Borough of Greenwich—should generally give air quality considerations substantial weight where a project would lead to deterioration in air quality in an area, or leads to a new area, where the air quality breaches any national air quality limits.

The national planning policy framework, for which my Department is responsible, explains that those national policy statements are relevant to local authority planning decisions.

We have set out in the national planning policy framework that planning decisions should ensure that new development is appropriate for its particular location and that the effects, including the cumulative effects, on the existing background levels of pollution should be taken into account. It also sets out that planning policies should sustain compliance with and contribute towards EU limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas—as I said, the whole Borough of Greenwich is an air quality management area—and the cumulative impacts on air quality from individual sites in local areas. Planning decisions should ensure that any new development in Air Quality Management Areas is consistent with the local air quality action plan.

There is strong evidence that national planning policy gives significant scope for the consideration of those issues in the determination of planning applications.

I turn to shore-to-ship electrical provision, which both hon. Gentlemen mentioned. The national policy statement for ports—which, for clarity, is a Department for Transport lead, although I am not trying to pass the buck at all—sets out that all proposals should either include “reasonable advance provisions” to allow the possibility of future provision of shoreside fixed electrical power infrastructure or should give reasons as to why it would not be economically and environmentally worthwhile to make such provision.

We have made clear that national policy statements form part of the overall framework of national planning policy, so that statement would have been a material consideration in decisions on the planning application. Ultimately, however, it is a matter for individual local authorities—in this case, the Royal Borough of Greenwich—to consider what conditions should apply to a planning application to make the development in question acceptable in planning terms before consent is given.

The hon. Member for Greenwich and Woolwich set out with commendable clarity the three tests that have been applied in this case, and the fact that Greenwich Council—or its advisers, it sounded like—had accepted the three arguments put forward. He also laid out why he remains unconvinced on those three points, which we might wish to return to outside this debate.

The Government take air pollution very seriously and are committed to improving the UK’s air quality, reducing health impacts and fulfilling our legal obligations. Not only this Government but the Labour Government who preceded us have improved air quality significantly over recent decades. Since 1970, sulphur dioxide emissions have decreased by 96%, particulate matter by 83% and nitrogen oxides by 61%. None of those figures, however, mean that the situation faced by many Londoners, and indeed people in other parts of the country, is satisfactory. There is clearly further progress to be made, and I entirely understand the concerns raised by the two hon. Gentlemen today and by their residents and constituents.

I understand that colleagues in the Department for Environment, Food and Rural Affairs and the Department for Transport who lead on air quality and shipping and maritime policy respectively will be examining the issue of shipping emissions as part of the UK’s national emissions ceiling directive implementation plan. Shore-to-ship electricity is one feature that might control emissions. Clearly, we should consider all technologies and all possible regulatory levers.

We have made sure that local councils have the tools they need to ensure that developments are appropriate for their location and to prevent unacceptable risks from pollution. However, I end by saying that I am very happy to meet with the two hon. Gentlemen and to talk to my ministerial colleagues in order to look further into this case. I commend both hon. Gentlemen for raising their constituents’ concerns in the House.

Jim Fitzpatrick: As I have a two-minute response to the Minister in this half-hour debate, I will make three quick points. First, I am grateful for the response and for the opportunity of a meeting. Secondly, the High Court obviously does not believe that Greenwich had the powers in question, because the judicial review said...
that the guidelines were complied with. Thirdly, and most importantly, it defies logic and common sense that a borough that exceeds the current air quality limits and is going to have cruise ships sitting in the middle of the Thames, giving additional emissions, will not suffer worse air quality as a result of that. The law does not cover that, because the High Court has said it does not, but I am very grateful for the Minister’s offer of a meeting with myself and my hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook). We certainly look forward to taking him up on that.

Question put and agreed to.

4.25 pm

Sitting suspended.
bankrupt and, sadly, some farmers even taking their own lives, such is the impact on businesses of the failure to address the disease effectively.

If the UK Government do not begin to manage the rising incidence of this disease in England, there will be not only an increase in the number of beef and dairy herds affected, but further geographical spread and a consequent spiralling cost to UK taxpayers over the next decade of potentially £1 billion. That figure comes from the Department for Environment, Food and Rural Affairs.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Gentleman, who is a colleague on the EFRA Committee, on securing this debate. It has been suggested that one way of solving the problem is to have more frequent cattle testing. How will that resolve the problem and eradicate the disease?

Dr Monaghan: The hon. Gentleman flags up an important point, which again I will come to. We agree that this is a crisis that must be dealt with now. It affects mainly English cattle farmers, and their families and their communities, and the impact cannot be overstated. If the disease continues to increase unchecked in England, it will begin to threaten herds in other nations that are currently free of the disease, such as Scotland. I want to avoid that happening.

Inexplicably, some people hypothesise that the rising incidence of bovine TB in England is attributable to badgers. I say “inexplicably” because research shows that even in remote areas of England where bovine TB is rampant, 86% of badgers are clear of the disease, with just 1.6% of the badger population considered capable of transmitting it. The role of badgers in the transmission of bovine TB to cattle is controversial.

Badger culling was conducted under a number of schemes throughout the 1970s, 1980s and 1990s. These included at different times the use of snaring, gassing, cage-trapping and shooting. Many thousands of badgers were killed prior to the introduction of the Protection of Badgers Act 1992. However, no effort was made to evaluate empirically the effectiveness of badger culls relative to reducing bovine TB incidence in cattle until the Natural Environment Research Council initiated the randomised badger culling trial in 1998.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The hon. Gentleman talked about evidence. Does he agree with Professor Rosie Woodroffe of London University, who says that the mismatch between killing badgers and the spread of bovine TB is “a huge disappointment for evidence-based policy making”?

Dr Monaghan: It is indeed a huge disappointment. I spoke to the professor on that very point just the other day.

The field trial I mentioned ran for seven years to 2005 and was overseen by the Independent Scientific Group on Cattle TB under the chairmanship of Professor John Bourne. The study found that reactive badger culling resulted in a significant increase in cattle TB to the extent that reactive culling was abandoned early in the trial. Proactive culling of badgers resulted in an average reduction of TB in cattle of approximately 23% in proactive culling zones compared with control areas, but an increase of approximately 24.5% on neighbouring land not subject to culling, which was thought to be due to the perturbing impact of culling.

The Independent Scientific Group on Cattle TB concluded: badger culling can make no meaningful contribution to the future control of TB in cattle; deficiencies in cattle testing regimes mean that cattle themselves contribute significantly to the persistence and spread of disease in areas where TB occurs—that is, cattle are the disease reservoir; cattle-to-cattle transmission is the main cause of disease spread to new geographic areas; substantial reductions in cattle TB incidence could be achieved by improving cattle-based control measures; and it was unfortunate that agricultural and veterinary leaders continued to believe, despite overwhelming scientific evidence to the contrary, that the main approach to cattle TB control must involve some form of badger population control. No substantial or respectable body of scientific work has ever been produced to contradict the conclusions of the Independent Scientific Group on Cattle TB.

In short, scientific evidence does not identify a causal relationship between the presence of badgers and a rising incidence of bovine TB in cattle, nor do scientific data suggest that culling badgers reduces the prevalence of the disease in beef and dairy herds.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this matter to the Chamber. I presume that many hon. Members have a different opinion from him. In Northern Ireland, there has been a five-year programme costing some £5 million. After trapping, testing and vaccinating badgers and removing any that tested positive, it was decided this year for the first time—

Mrs Anne Main (in the Chair): Order. Will the hon. Gentleman make his point very briefly?

Jim Shannon: It was decided after five years of deliberation that diseased badgers must be culled. What does the hon. Gentleman think about the position in Northern Ireland?

Dr Monaghan: I do not think the hon. Gentleman’s suggestion is borne out by scientific evidence. Indeed, experience in Wales and the Republic of Ireland contradicts what he is suggesting. In fact, the data suggest that badgers are contracting TB from cattle rather than cattle contracting TB from badgers. Worryingly, there is a possibility that other species may also be contracting TB from cattle and that that is not being monitored. It is an unavoidable truth that if the UK Government hope to control bTB in English herds and to protect the wider environment through culling, they should logically cull not just badgers and cattle but bats, cats, dogs, mice, moles, rats, hedgehogs, sheep, goats, llamas, slugs, worms and even flies, all of which are capable of sustaining the disease. That proposition is clearly ridiculous, but it serves to highlight precisely how ridiculous the current persecution of badgers is, and that is exactly why the Welsh and Irish Governments have abandoned badger culling and why the European Union has never agreed with the UK’s policy in this area.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Culling never actually occurred in Wales. The hon. Gentleman needs to be reasonably
accurate about his points, but he also should take note of the fact that the incidences of TB within the vaccination area in Wales are exactly the same as they are on the outside. There is no distinction between the two areas, so before he paints vaccination as the answer, he needs to look at the Welsh result.

**Dr Monaghan:** I am arguing here today that the UK Government must begin to protect beef and dairy farmers in England and alter planned programmes of action to begin reducing the disease in existing herds in England. Anything less does a disservice to English farmers and undermines their work in support of local economies.

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Is the hon. Gentleman aware that the one animal that is attacking the hedgehog is the badger and that hedgehogs have declined by 50% over the last 15 years? What action can we take to protect them?

**Dr Monaghan:** I will stick to bovine TB. I predict that the recently announced plans to extend badger culling to a further seven areas will result in further new herd breakdowns and increased prevalence of the disease across England.

**Danny Kinahan** (South Antrim) (UUP): Just for information, I point out that I had a herd of Chital deer and we had to put them all down because of TB. I do not believe that badgers were the carriers; we think it was something else—probably a wild deer that came in. Does the hon. Gentleman agree that we should be putting more funds into tracing what else carries TB?

**Dr Monaghan:** I absolutely agree and I thank the hon. Gentleman for that helpful point.

To make my point clear, it is worth noting that figures to May 2016 show that Wales has reduced new herd breakdowns by 14% without killing badgers, while at the same time bovine TB has increased in England by 26% along infection edge areas owing to inadequate testing, uncontrolled cattle movements and the distraction of killing badgers.

In 2015, the British Veterinary Association stated that there was a “disproportionate focus on badger culling in the public debate about bovine TB”.

I agree and suggest that that focus is the result of the unscientific, ineffective, expensive and inhumane nature of culling policy; additional public concerns in respect of wildlife protection and welfare; and the inappropriate use of public funds.

**Ms Margaret Ritchie** (South Down) (SDLP): I congratulate the hon. Gentleman on securing the debate. He has mentioned the skin test. How effective has he found it to be, from the evidence? From a Northern Ireland perspective, I have found that it has resulted in animals being put down that should never have been put down.

**Dr Monaghan:** I will come to the skin test shortly, but I think that there are more appropriate alternatives to it.

Returning to the point about public funds, it is instructive that the UK Government have never published the total costs of culling to the taxpayer or farmers. However, we know that the first two years of the two pilot culls in Somerset and Gloucester cost the taxpayer more than £14 million; that includes policing costs. That equates to £5,766 per badger killed and compares with an estimated cost of just under £700 per badger vaccinated in Wales.

**Mr Laurence Robertson** (Tewkesbury) (Con): Part of the trial culls is taking place in my constituency of Tewkesbury. This may be anecdotal, but the farmers there assure me that the incidence of bovine TB in those areas has been reduced since the trial culls began.

**Dr Monaghan:** It must be anecdotal because it certainly does not appear to be borne out by the scientific evidence.

In 2016, the UK Government admitted that the full costs of culling in 2015 had not been worked out but that policing costs alone for three areas were just under £2 million. The additional costs to farmers of the cull repercussions have never been released. In January this year, it was reported that the European Commission had provided the UK Government with half the Commission’s entire budget of €62 million to tackle bovine TB: £31m, then worth £23 million, went on just four programmes. That money, earmarked for dealing with and controlling TB in cattle, as opposed to badgers, is obviously now at risk because of Brexit. In sum, the UK Government’s current policy wastes an estimated £20 million per month and will generate a cost of approximately £2 billion to the taxpayer by the 2038 target. In addition, the UK Government no longer collect data on humaneness. One wonders why. What are the actual costs, Minister, and what do data show on humaneness?

I am arguing not that we should do nothing, but that the UK Government should abandon the TB skin test as the primary means of identifying infection and new herd breakdowns and should adopt modern methods and technologies to address this disease. Specifically, the UK Government should adopt gamma interferon tests—that is, blood testing—and robust systems of biosecurity. Combined with a co-ordinated badger vaccination policy in high-risk areas for bovine TB in England and restricted movement, that course of action would be a more progressive and intelligent option than the relatively crude skin testing and redundant killing of badgers and would realise results within months. It would also be more humane.

**Dr Sarah Wollaston** (Totnes) (Con): I support further research into vaccination, but is the hon. Gentleman aware that there is a global shortage of bovine TB vaccine? It is the same vaccine as is used in humans, it needs 10 times the dose, and it needs to be repeated every five years. There is no possibility of an injectable vaccine roll-out at this time, and the programme has even been suspended in Wales.

**Dr Monaghan:** I am grateful to the hon. Lady for that information. However, it does not address the fundamental point that killing badgers is not helping the situation, either.
Following the introduction in Wales of the regime that I have just identified, the incidence of tuberculosis in cattle has declined sharply: a 30% decline over a 12-month period was recorded in 2012. The sharpest fall was in the area where the disease was at its worst. In Dyfed, 36% less cattle were slaughtered over two years, with a saving to the taxpayer of £6.5 million in compensation, and of course untold misery was avoided.

It is the case that 84% of the public are against badger culling. Like scientists, the public know that culling badgers is cruel, unjustified and expensive. It divides rural communities, damages the balance of nature and perpetuates disease. It gives false hope to farmers and sets a dangerous precedent that we can ignore this disease. Minister, look to Northern Ireland, Scotland and Wales. Recognise the importance of cattle welfare and husbandry. Combine that recognition with rigorous blood testing regimes and effective movement controls to reduce the risks of cattle-to-cattle transmission, and introduce a centrally co-ordinated comprehensive badger vaccination policy in high-risk areas for bTB in England. Start to reduce the incidence of this dreadful disease and stop the regressive and medieval practice of badger culling, which diminishes our collective humanity.

Mrs Anne Main (in the Chair): As of now, I am imposing a two-minute limit on speeches.

4.48 pm

Bill Wiggin (North Herefordshire) (Con): I enjoyed listening to the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan), but he is about five years behind the times. To suggest that culling does not work and vaccination would be a substitute is unfair and unfortunate, given the evidence provided by my hon. Friend the Member for Totnes (Dr Wollaston).

The reason why we are all here is that bovine TB is caused by a species-jumping bacterium, and it affects people. That is why this is such an important subject, and it is no good saying that it is all about badgers. The Government’s record on it is superb. By identifying the edge areas, they have made it clear that a huge part of our country has badgers with no infection. There is a clear, healthy population of badgers, and they need to be protected from the badgers in my constituency, which have a high incidence of infection. If we lose sight of that, we do no favours to the people who love badgers or to the badgers that are not infected. We all know the reason why TB is a horrible disease, because the hon. Member for South Antrim (Danny Kinahan), with his Chital deer, reminded us. These animals are our pets that we care about and that we like to see, and they need to be protected. By doing nothing we are being irresponsible and letting down both healthy badgers and the people whose livelihoods depend on cattle farming.

I have nothing but praise for my hon. Friend the Minister; he is doing what is right by protecting healthy badgers. We need to continue to look at the evidence, and I hope that the pilot schemes will start to publish successful evidence soon. During the recess I read that the incidence of outbreaks in Wales and in the edge areas where vaccines are being trialled has actually gone up, which is a disaster for those of us who want vaccines to work, but in among that gloom is a little spark of hope to all of those who voted to leave the EU, because when we are out we will potentially be allowed to vaccinate our cattle, which is illegal in the EU at the moment.

4.50 pm

Christina Rees (Neath) (Lab/Co-op): It is an honour to serve with you in the Chair, Mrs Main. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) for securing this timely debate.

Animal rights and welfare is an issue I am very passionate about. The culling of badgers to prevent the spread of diseases is not a new concept and has gone on across Europe since the ’70s, but it was largely abandoned in the UK during the 1980s and is now completely prohibited in many European countries. The 10-year randomised badger culling trial, which started in 1998, demonstrated the ineffectiveness of culling, but despite the evidence the Government implemented a full programme.

Judith Cummins (Bradford South) (Lab): Does my hon. Friend agree that culls without evaluation or monitoring are ineffective?

Christina Rees: Yes, I completely agree, and I will come on to that in a while. The absurdity of such a process is that it directly contravenes the Protection of Badgers Act 1992, which prohibits the wilful killing or injuring of a badger. Badger culling has time and again proven ineffective. Arguments against culling are not only emotive but factual: it is expensive, with the Government’s own figures showing it will cost more than it saves; it is not proven to work in any substantial or sustainable way; and Lord Krebs, who led the culling trials of the ’90s, has opposed further culling on the grounds that it is ineffective.

The Welsh Labour Government have rejected the culling of badgers as a means of controlling and eradicating bovine TB. However, as a rural country Wales is not without its problems in this area, and in a bid to control the spread of TB in 2012 the Welsh Government began a badger vaccination programme. That work has been targeted at an intensive action area, which has some of the highest incidence of bovine TB in Europe. Although the effectiveness of vaccination remains disputed, it is surely a better option than the equally disputed, and much more contentious, process of inhumane killing.

I am appalled that the current UK Government have not only ignored evidence, fierce campaigning and the experience of some devolved regions, but have actually taken the notion of culling even further, recently extending the programme to seven new areas across England. I urge the Government to reconsider their commitment to badger culling. How can the random slaughter of one animal to protect another ever be justifiable, logical or humane?

4.53 pm

Steve Double (St Austell and Newquay) (Con): Three years ago I had the honour of being the mayor of my home town of St Austell, and one evening I went to visit the local sea cadets. I will never forget that memorable evening, because at the end of the evening, as I usually did, I asked the young people what they would like to see in our town that would make it a better place. I got all the usual answers—better shops, better leisure facilities,
a skateboard park—and then one young man standing in front of me, who was about 12 years old, leant forward and said, “A badger cull.” I figured out very quickly that he was clearly a farmer’s son.

The point that I want to make is that this debate is about people; it is about the livelihood and wellbeing of beef and dairy farmers in this country. We must never lose sight of the fact that as we debate Britain’s biggest rodent, we are actually talking about the livelihoods of our farmers. Let us be clear that every time cattle are tested, our dairy farmers go through anguish. They stand there watching the test take place, not knowing whether this time it is going to be positive, and then many of them have to watch as their life’s work is destroyed as a result of a positive test. We must never lose sight of the fact that at the heart of this debate is our local farming community. I have spoken to many of them and they have told me that they are convinced we need to control the badger population to eradicate this disease.

Lady Hermon (North Down) (Ind): I am grateful to the hon. Gentleman for allowing me to intervene. Speaking as a farmer’s daughter, I understand how devastating TB can be in a cattle herd, but I also absolutely despise the shooting and culling of badgers. Will the hon. Gentleman identify the scientific evidence that supports badger culling?

Steve Double: I believe that there is a great deal of evidence from other nations that have eradicated TB, where part of the programme of eradication has been the control of wildlife that carries the disease. There is evidence from around the world that supports that view. Our beef and dairy farmers have a very clear view, and I have learned over the years to listen to those most closely associated with an issue when forming an opinion.

Let us be clear: controlling the badger population will not, in and of itself, be the silver bullet that eradicates this disease, but I am convinced that it has to be part of a comprehensive programme, including vaccination and controls on movement where appropriate, if we are to move towards doing so. I will continue to support our farming community, the Minister, who has great experience in the middle of it, and most of my neighbours are milking cows.

I want to express mine clearly in the two minutes that I have. I have a deep interest in the rural community; I live in the middle of it, and most of my neighbours are milking farmers. They have large herds and depend on the stability of those herds for their incomes and those of their families. With that in mind, they want and need badgers to be controlled.

First, I want to refer to what we have done in Northern Ireland in a wee bit more detail. We are currently in the third year of a selective badger cull project to tackle bovine TB in Northern Ireland. The test and vaccinate or remove wildlife intervention research project—they call it TVR—is under way in a 100 sq km area around Banbridge in County Down. I live in an area that has some of the highest milk yields in the whole of Northern Ireland and the whole of Ireland. The project was involved in trapping badgers, testing them for TB, vaccinating clean badgers and removing any that tested positive for the disease. With all that research and information, this will be the first year that it has culled diseased badgers. Clearly the scientific method has not worked. With great respect to hon. Members, I hear some say that the scientific evidence is not there, but it is in Northern Ireland. The worldwide shortage of the BCG vaccine, which was used in years one and two, meant that it was unavailable for purchase in the third year.

As I have said before, my constituency has one of the highest levels of TB. It would be unwise and unfair of me not to come to this Chamber and say clearly that badgers need to be culled, because the cost to farmers and the £100 million in compensation over the last few years cannot be sustained. I want my farmers to be able to support and look after their families, and I want to make sure that the milk yield from my area can continue as well. That being the case, I am very sorry to say that I cannot support the hon. Gentleman.

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Finally, we will hear a point about farmers, and that is exactly where I would agree strongly with the Minister. I agree that this disease has to be tackled, but we are doing farmers no favours by pretending that the policy of culling badgers, which is the linchpin of the Government’s approach to this awful problem, is going to work, because it is not.

What we have not heard at any point from the Minister—I would like him to address this in his closing comments—is answers to questions on two issues. First, at what point will we get a thorough and independent assessment of the outcome of the first two culls in west Gloucestershire and west Somerset? We are in the final year of the culls in those areas. Secondly, how will the Government assess the new research on transmission between badgers and cattle? Will they look properly at that evidence and make sure that it is thoroughly investigated, and will Parliament be informed of the outcome?

5.1 pm

Maria Caulfield (Lewes) (Con): I am not going to go over the pros and cons of the debate about culling; I want to be quite parochial in the couple of minutes that I have just to highlight the issue in East Sussex, which is not only a high-risk area, but an edge area along the A27. We have heard from my hon. Friend the Member for St Austell and Newquay (Steve Double) about the devastation that TB can cause for farmers and their families. Even so, East Sussex is quite low down the list of priorities for DEFRA. We have talked to the Minister about being a trial area for a vaccination programme and he has been very supportive of farmers in East Sussex. We would be ideal because we are an edge area and have support from our farmers, the National Farmers Union and our residents. We also have a trained and licensed group of volunteers ready to go, and the support of the Sussex Wildlife Trust.

Evidence from a vaccination programme from 2005 to 2009 in Gloucestershire showed that vaccinating can reduce the number of badgers testing positive by 54% to 76%. That would make a significant difference to my constituents of their own scientists. I think that is appalling.

I understand that new evidence released this year has called into question the likelihood of direct transmission making things worse for farmers in neighbouring areas. I think that this evidence released this year has called into question the likelihood of direct transmission of the disease from badgers to cattle.

As we have heard, the Government have failed to take scientific advice and assessments into account. An assessment of the first year of the pilot culls by an independent expert panel was highly critical of the Government’s practices and policies. David Macdonald, the former chief scientific adviser to Natural England, described the culls as an “epic failure”. The pilots raised significant concerns that badgers were being shot inhumanely, and the way the culls had been carried out meant that there was no chance that they could be effective, with a number of culls failing to achieve their targets.

Instead of reviewing the culling programme and accepting that other forms of intervention were necessary to prevent the spread of bovine TB, the Government disbanded the expert panel and continued with the culling programme. Professor Tim Coulson described the Government’s approach as “wilfully” ignoring the concerns of their own scientists. I think that is appalling.

Mrs Anne Main (in the Chair): Order. The hon. Lady has a few seconds to conclude her remarks.

Barbara Keeley: Yes, indeed. I will end with the point that my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) made: there are two important questions for the Minister to answer, particularly in the light of what I just said. When will we have a thorough and independent assessment of the two pilot culls? And when will the Government assess the research on transmission?

5.6 pm

Geoffrey Clifton-Brown (The Cotswolds) (Con): Mrs Main, I draw attention to my entry in the Register of Members’ Financial Interests that states I am a farmer. I represent one of the country’s greatest agricultural constituencies; sadly, it is also one of the constituencies that is most badly affected by bovine tuberculosis, so I speak with some experience on this issue.

The choices we face are stark. TB is an indiscriminate and profoundly unpleasant disease. In 2015 alone, 28,000 perfectly content and otherwise healthy cattle were slaughtered as a result of contracting this horrible disease. The Government have stated that the cost to the taxpayer was £100 million; on current trends that will be £1 billion cumulatively over the next decade.
As my hon. Friend the Member for St Austell and Newquay (Steve Double) said, Opposition Members never mention the human stress caused to the farmers involved. Add to that the cost—

Dr Paul Monaghan: If the hon. Gentleman checks Hansard, I think he will find that I did make the point about the stress and hardship that farmers face as a result of the UK Government’s programme on badger culling.

Geoffrey Clifton-Brown: I am intrigued that an hon. Member from Scotland has secured this debate, because I did not realise that it was a problem in Scotland. The hon. Gentleman must have few problems with his own constituents to have time to bring forward this debate.

As well as the emotional stress for the farmers involved, the cost to them is tens of millions of pounds. Add that to the costs to the taxpayer and this is a really serious problem. As my hon. Friend the Member for Totnes (Dr Wollaston) said, the only legal vaccine for badgers is the injectable BCG vaccine. It is in such short supply that it is needed for human use and therefore the vaccination trial in a quarter of the area of Wales has had to be curtailed. I hasten to add that I believe DEFRA is right to budget tens of millions of pounds to try and achieve an oral vaccine for badgers. That is the nirvana and when we get that, we will really make progress.

My constituents in the new badger cull area in Gloucestershire, with whom I have worked very closely and to whom I pay tribute, have had to go through an incredibly rigorous process to get the licence from Natural England. They are responsible for all the training and recruiting of firearms experts—forgetting all the equipment. I say to Opposition Members that they would not go to that huge amount of trouble and expense unless they really believed that a badger cull was the answer, so I think the Government are exactly correct in their 25-year vaccination strategy. We have to use all the tools in our box.

Kerry McCarthy (Bristol East) (Lab): I met people from Natural England a few months ago and they very much gave me the impression that the process was little more than a rubber-stamping exercise and they took their steer from DEFRA as to whether they would go ahead. It came across to me as a political decision rather than, in any way, an academic exercise.

Geoffrey Clifton-Brown: I invited the hon. Lady, when she was the shadow Environment, Food and Rural Affairs Minister, to come to my constituency and meet some of these farmers, and I invite her to come and meet some of the people who have been involved in this licensing programme. She will find out the hours, days and weeks they have had to spend on this to get a licence. She will be amazed.

Angela Smith: The hon. Gentleman is kind to give way. Does he believe that free shooting is acceptable?

Geoffrey Clifton-Brown: I believe that the best way to cull badgers is with traps. Unfortunately in Gloucestershire, protesters have removed and damaged traps, which has made it essential to have free shooting in our armoury, as well as shooting badgers in traps. If there were no interference with the traps, I believe we could—as they have done in Somerset—operate culls on a much greater basis by caging badgers.

I repeat that the 25-year elimination strategy that the Government have announced is exactly right. We must use all the tools in our armoury, including ring vaccination, culls, vaccinations and, indeed, as the hon. Member for Caithness, Sutherland and Easter Ross said, tightening biosecurity. On farms, we legally have to do so. Every year DEFRA has tightened biosecurity, the regulations on pre and post-movement of cattle and the regulations on skin testing. Those are the directions in which we need to go, but we need to eliminate this terrible disease.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairpersonship, Mrs Main. I thank my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) for securing the debate and for setting out a detailed position. It is a well-attended debate, which shows the significance of the issue to us all—to farmers and animal welfare advocates alike. The issue is significant to the public and forms a huge part of my mailbag, as I would imagine it does for many other MPs.

Some 150,000 people signed the petition and more than 70% of the population oppose the cull of badgers. We have heard that the subject divides rural communities. I also suggest that it has divided the House, although not officially. It is a devolved issue, so I will speak a bit about what we are doing in Scotland, and try to outline the main issues that various hon. Members have spoken about. The issue should not divide us because we must learn from good practice and from what works across the UK. We obviously have differing strategies in place currently and, therefore, we need to review the evidence and examine it closely.

In Scotland, the risk of bovine TB has historically been very low, and there is no evidence whatever of a wildlife reservoir of bovine TB. The Scottish Government have recognised a need for confidence on the issue and have introduced a stringent package of measures including tissue sampling at farm visits, an epidemiological risk assessment, tracing cattle, contiguous herd assessments, and two consecutive tests with negative results to retain bovine TB-free status. In October 2009, Scotland was added to the long list of European Commission member states and regions that are declared free of bovine TB. The Commission attributed that to the success of Scotland’s livestock industry working in conjunction with the Government.

I will attempt to summarise the issues that have been raised very briefly, as I am aware that I only have three minutes or so remaining. Some of the main issues appear to involve the crisis in farming. Farmers have already been significantly affected by pricing and they may be feeling the impact of Brexit. There are export issues and issues in being price competitive with comparators. Those problems are fundamental to the stress experienced by farmers.

The other issue is whether culling is effective. The independent scientific group has apparently stated that the culling is ineffective and the previous 10-year randomised
trial, which was undertaken by the Labour Government of the time, also indicated that it was not effective. We must base what we do upon evidence. Some evidence indicates that cattle-to-cattle transmission is the main issue and that, in some instances, badgers may even contract TB from cattle. It is important to look at alternatives.

The experts have even cited a huge disappointment about the lack of an evidence-based policy, which is extremely concerning. It must be cost-effective but the UK Government’s route does not appear to be. Policing costs alone have been cited as £2 million, with culling at £20 million a month. The estimated cost by 2038 is £2 billion. However, there are difficulties because there is a shortage of vaccines, and that must be looked at within the scientific community. We must also look at the humanity of culling, as we have heard grave concerns about the relaxation of regulations and free shooting.

We are in a time of austerity. Our most vulnerable are suffering. The disabled are suffering. The bottom line is that any policy enacted by this Government must be evidence based. These are exertionate pilot studies. Culling has been described by professionals in the field as a wilful abandoning of science, and we are beginning to ignore independent outcome trials. We are going down the wrong route, and it is an expensive route that we can little afford.

I suggest a review of the policy, the research and the pilot evidence, which is, indeed, urgent. Policy must be evidence based. We cannot give farmers false hope by going in the wrong direction. We cannot base policy on desperation, anecdotes and experience. In all my time as a scientist practitioner in the NHS, belief has never equated to evidence. We are looking for evidence-based practice to ensure that we give the general public a cost-effective solution that works for all.

5.16 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mrs Main. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) for bringing forward today’s important debate.

Over the summer, I have been listening to the frustrations and concerns of those working with cattle about the ongoing risk that they continue to carry about the prevalence of bovine TB. They want solutions that work, which is why it is so important that we examine the evidence and look at the scientific research, which really does conclude that since 2011 when the strategy was put in place, research has moved on and we must move on with it.

The Republic of Ireland, after 32 years of culling, now recognises the flaw in it and has, therefore, switched to badger inoculation. In Wales, a fresh approach has been taken, which has seen 94.6% of herds TB-free and incidence continues to fall at a rapid rate—17% in the past year. I know that the Government want to be seen to be acting, but there are better ways of doing things. Therefore, they have a responsibility to farmers to ensure that they take an evidence-based approach.

There have been failings in the programme that has been put forward. Figures that have come from freedom of information requests show that the number of badgers culled has fallen far short of the Government’s criteria for an effective cull, so trapping has been used to support it. Therefore, when we trap a badger, why not inoculate it as opposed to exterminating it? The cull has failed on effectiveness and on humanness. It simply has not delivered. Instead, we should take a different approach. This is about a public health issue and, therefore, we need a comprehensive health strategy and not just a simple sticking plaster to try to deal with part of the problem as opposed to the complete problem.

Bovine TB is a commutable disease. Understanding the pathogen transmission process is vital in understanding the associated disease management strategy. New research coupled with scientific analysis has unveiled more about the disease. Evidence-based policy making should engage with that. Ultimately, farmers are being let down if the Government do not act on the back of that. Research has shown that badger-to-cattle transmission is not through airborne routes and that it is likely to be through badger excrement, but more research is needed in that area.

Lady Hermon: May I add that recent research by the Department in Northern Ireland has shown that there is a potential that the spread of cattle slurry on pasture could be one of the contributing factors? That may be worth looking at.

Rachael Maskell: I thank the hon. Lady for making that intervention about how we manage the environmental impact of bovine TB. Looking at slurry and manure spreading is one way of achieving that and it is an important point that I was going to come to later. However, cattle-to-cattle transmission is the key issue to address. Therefore, we need a comprehensive strategy that puts investment into more measures around biosafety, which is really important to address the issue in a strategic way.

We also know that the culls that have taken place have not delivered the decrease in the badger population necessary to reduce the spread of TB, as identified by the independent expert group. As the years have progressed, scientists say that population estimates are becoming more inaccurate, so the effectiveness of culls is falling further year on year.

We also know that the new criteria, which seven out of 10 respondents rejected, will mean that the cull is less effective in years to come. We have therefore seen the prevalence of bovine TB increasing in the four culling areas, which clearly does not satisfy farmers. As the independent scientific review group has concluded, “badger culling can make no meaningful contribution to cattle TB control in Britain”.

We know that the cull has failed on effectiveness. The cull has failed on humanness—between 7.4% and 22.8% of badgers are alive after five minutes. We know that badgers are not shot in the target area—only 45% are shot in the target area. We know that the cull has failed on cost, and we have heard today that the vaccine costs a tenth as much as killing a single badger. That money could be repurposed to support farmers.

Dr Wollaston: Will the hon. Lady give way?

Mrs Anne Main (in the Chair): I am afraid that the hon. Lady cannot give way because the Minister must be called and we need a minute for Dr Monaghan to sum up.
Rachael Maskell: New measures need to be introduced on biosecurity and testing, and we have heard about the gamma interferon test, which has a far higher level of accuracy but is not being widely used. The DIVA test is coming on board, and it will clearly differentiate between infected cattle and vaccinated cattle. We understand that that will be ready in about five years’ time. We need to look at the vaccination programme and build up vaccine stock.

Mrs Anne Main (in the Chair): I ask the hon. Lady to bring her remarks to a close.

Rachael Maskell: Of course. Farmers continue to pay the price for a lack of evidence-based policy making. The Government are using a one-pronged approach. We need to see scientific evidence and a proper biosecurity strategy at the heart of addressing bovine TB.

5.22 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) on securing this well-attended debate, which shows the importance of the issue.

Scotland, of course, has a very low badger population density. Scotland is also the only part of the UK to be officially TB free, but England, Wales and Northern Ireland have this big challenge. TB is a difficult disease to fight. It is a slow-growing, insidious disease. Diagnostics are difficult because the disease does not show up quickly. The only vaccine we have is the BCG vaccine and, despite decades of research, no one has come up with a more effective vaccine—the BCG vaccine is only partially effective. TB is having a huge impact on our agricultural industry and is causing huge trauma for farmers, with some 28,000 cattle a year being slaughtered.

We have put in place a comprehensive 25-year strategy to address bovine TB, and cattle control is at the heart of that strategy. Several hon. Members have said that cattle control is the answer, but I will explain what we have. We have annual testing in the high-risk area and four-yearly testing in the low-risk area. We have annual testing in the edge area and six-monthly testing in hotspots in the edge area, and we continue to consider rolling that out. We have contiguous testing in the high-risk area where there is a breakdown, and we have radial testing in the low-risk area, going out to 3 km, where we have a breakdown. We are now consulting on greater use of the gamma interferon test so that we can pick up the disease faster. We are also looking at what more can be done in other species. We are constantly trying to refine and improve our cattle movement controls, but I put it to hon. Members that for years we have been doing everything that everyone has said we should be doing.

We continue to work on vaccination. We are spending millions of pounds on trying to develop an oral vaccine for badgers because I believe that could give us an exit strategy from the cull once we have completed a reduction in the population of some areas. We are also continuing to work on cattle vaccination to develop a DIVA test. That work takes time and costs millions of pounds, but we are doing it.

In recent years we have set up an edge area vaccination programme, with a number of volunteer groups taking part. As my hon. Friend the Member for Totnes (Dr Wollaston) said, the World Health Organisation has asked everyone to stop using the vaccine we have on badgers, and we followed the Welsh Government’s lead in doing so. We will resume our testing when those stocks come back on stream.

We are doing a huge amount of work to improve biosecurity. In a few weeks’ time I will launch a cattle health certification standards—CheCS—accreditation scheme to try to incentivise farmers to do more for biosecurity. We have grants available so that farmers can invest in water troughs that make it harder for badgers to gain access and in fencing to keep badgers away from farmyards. We are constantly trying to improve the management of slurry, and there is already a suite of measures on farmyard manure management. We are also looking at other novel things, such as genetics. Holstein UK is working on whether genetic improvement might be able to breed partial resistance into the dairy herd in particular. I have already asked our chief scientific adviser to find out whether further work could be done to enhance that.

The badger cull is just one part of our strategy but, as I have said before, there is no example anywhere in the world of a country that has eradicated TB without also addressing reservoirs of the disease in the wildlife population. A number of hon. Members have raised questions about the science. TB was first isolated in badgers as long ago as 1971. In 1974 a trial was conducted to remove badgers from a severely infected farm, with the result that there was no breakdown on that farm for five years. Between 1975 and 1978 the Ministry of Agriculture, Fisheries and Food funded extensive work that demonstrated conclusively that there is transmission and a link between badgers and cattle, and subsequent work in Ireland has reaffirmed that finding.

The Krebs review observed that between 1975 and 1979 TB incidence in the south-west fell from 1.65% to 0.4% after the cull, a 75% reduction. Subsequently, in the late ’70s and early ’80s, more extensive work was done in three exercises. One was in Thornberry, where the TB incidence fell from 5.6% in the 10 years before culling to 0.45% in the 15 years afterwards, a reduction of 90%. In Steeple Leaze there were no breakdowns for seven years after badgers were cleared. In Hartland the incidence dropped from 15% in 1984 to just 4% in 1985, a reduction of more than two thirds.

There were claims that those experiments lacked a control, which is why the randomised badger culling trial took place. Despite having the challenge of the foot and mouth crisis smack in the middle of it, the RBCT concluded that in the four years after culling there was a significant reduction in the incidence of TB. The RBCT supported what the previous trials had shown. In fact, 18 months after the culling ended in the RBCT there was a 54% reduction in the incidence of the disease, so I am afraid that hon. Members who say that we have not followed the science have themselves not read the science. The science and the veterinary advice are clear.

Angela Smith: Will the Minister give way?

George Eustice: I will not give way.

This is an evidence-based policy. We cannot remove and eradicate TB without addressing the reservoir of the disease in the wildlife population. I would not
sanction a cull of badgers unless it were necessary. Apart from anything else, it is incredibly expensive but I am also not the sort of person who wants to kill wildlife for fun. I would not sanction this unless it were necessary, and I believe that it is necessary.

I urge hon. Members to show some sense of perspective. I live next to Bushy Park and at this time of year, every year, a sign goes up on the gates saying, “We are afraid that the park will be closed for the next few weeks because we are having a deer cull.” Nobody bats an eyelid. They go somewhere else to have their picnic. We do not get protesters running around the park at night. Is that really so different? The level of scrutiny that we put on the culls and the requirements that we attach to licensing are incredibly thorough. We have rules on the distance that hunters have to be before they can take a shot and on precisely the type of rifles that they should have. We have rules saying that the badger must be stationary before a shot is taken. We are doing our utmost to ensure that the badger culling and shooting are done in the most effective way, more effective than for any other wildlife.

In conclusion, I believe that this is necessary. It is an evidence-based policy, which is why we continue to roll out the cull.

5.29 pm

**Dr Paul Monaghan:** This has been a lively debate, but I think everyone in the room agrees that we must do everything possible to eradicate bovine TB in cattle. Everyone would also agree that the crucial issue is a human and a humane one. In Scotland we have introduced a stringent package of evidence-based measures that include blood testing and tissue sampling at farm visits, epidemiological risk assessments, cattle tracing, contiguous herd assessments and two consecutive tests with negative results in order to retain TB free status. The Scottish Government have also passed legislation that allows for certain specific non-bovine animals to be subject to the regime of bovine TB controls. Scotland, as we now know, has been officially TB free since 2009. We are proud of that, and we want to stay that way.

The hon. Member for The Cotswolds (Geoffrey Clifton-Brown) will be interested to know—

5.30 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*
Westminster Hall

Thursday 8 September 2016

[PHILLIP DAVIES in the Chair]

Chibok Schoolgirls

[Relevant document: Second Report from the International Development Committee, Session 2016-17, DFID’s programme in Nigeria, HC 110.]

1.30 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op):

I beg to move,

That this House has considered the missing Chibok schoolgirls in Nigeria.

It is a pleasure to serve under your chairmanship, Mr Davies. Earlier this year the Select Committee on International Development, which I chair, visited Nigeria as part of an inquiry into the work of the British Government, including both the Department for International Development and the Foreign Office, in that country. As part of our visit, in Abuja, the capital of Nigeria, we joined the regular vigil conducted by campaigners seeking to highlight the plight of the girls kidnapped by Boko Haram.

As Committee members—I am glad to see so many of them here, as well as other Members from all parts of the House—we made a pledge that we would not forget about the girls or those campaigning to highlight their plight. We have taken opportunities since our visit to raise that with Ministers in both DFID and the Foreign Office. I am delighted—I give my thanks to the Backbench Business Committee for this—that we have this opportunity to address this important issue once again.

Let me start by setting out some of the background. As colleagues may know, Boko Haram is roughly translated as “western education is forbidden” or “western education is a sin.” Among other things, we can take western education to mean girls getting an education. On 14 April 2014, Boko Haram militants attacked a government school in Chibok in the early hours and kidnapped 276 girls. At the time, other schools in that part of Nigeria were closed precisely because of the difficult security situation. The reason that the Chibok government school was started by a lawyer in Abuja but it quickly trended on Twitter and became prominent. The official movement was started by Obyiageli Ezekwesili, a former Federal Minister of Education in Nigeria and president of the African division of the World Bank. She said:

“The way our Government handled the Chibok girls’ case goes beyond an election matter.”

This was in the run-up to elections in Nigeria. She continued:

“This is not a one-time issue we discuss over elections. We need to have a deeper conversation about what kind of a nation we want to be.”

This was early on, following the kidnapping. She went on:

“Today is day 241 and the girls are still not back. If some people want to move on, it’s their right…but they should remember we moved on when 69 secondary schoolboys were killed, and nothing changed. Do our children now have to choose between getting an education and dying? Some of us cannot move on and accept that kind of society.”

The hashtag was promoted and propagated by celebrities, politicians and others across the world, including our former Prime Minister, the right hon. Member for Witney (Mr Cameron), the Pope and the actress Julia Roberts. Perhaps most prominent was the First Lady of the United States of America, Michelle Obama, who said in 2014:

“This unconscionable act was committed by a terrorist group determined to keep these girls from getting an education—grown men attempting to snuff out the aspirations of young girls.”

She went on to say:

“Why, two years ago, would terrorists be so threatened by the prospect of girls going to school that they would break into a dormitory in the middle of the night?”

She also said:

“What happened in Nigeria was not an isolated incident. It’s a story we see every day as girls around the world risk their lives to pursue their ambitions.”

Fiona Bruce (Congleton) (Con): The Chair of the Select Committee is making a powerful speech. I well recall being at that meeting in Abuja with the supporters of the girls, who are dedicated and tireless campaigners. It was deeply moving. He mentioned that this has
happened to countless children across the world and that these girls are still missing. Does he agree that it is very concerning that the Department for International Development does not focus more closely on human trafficking, particularly given that we hear reports of girls being trafficked, perhaps for prostitution or servitude, into this country from Nigeria, the very country about which he is speaking?

Stephen Twigg: I am grateful to my friend, the hon. Lady, who is an assiduous and hard-working member of our Select Committee. I pay tribute to her for her consistency in raising these issues in the Committee and the House and with the wider public. I absolutely agree with her. We have seen a greater focus by Her Majesty’s Government on issues around human trafficking, but it is vital that all the different Departments join up their efforts to maximise the impact of that commitment.

The organisation that has been campaigning has aimed to raise awareness of the plight of the girls and to encourage the Nigerian Government to do all within their power to bring the girls back. The United Kingdom Government, along with other Governments including the United States, France, China and Israel, have all contributed significant military and economic resources to the region to support the attempt to find and rescue the girls. A regional taskforce was launched with Cameroon, Chad, Niger and Nigeria, amassing almost 9,000 regional troops to force Boko Haram out of the Chad Basin National Park. There has been concern among parliamentarians globally. For example, the European Parliament passed a resolution two years ago calling for the “immediate and unconditional release of the abducted schoolgirls”.

I take this opportunity to pay tribute to the UK Government’s role in seeking to find the girls. Last year, the UK sent around 130 military personnel to Nigeria to assist in training the Nigerian military. The UK and the US have provided counter-terrorism support and advice and, importantly, support and advice on hostage negotiation and victim support capabilities for Nigeria. Additionally, the UK has invested around £5 million in supporting the multinational joint taskforce set up by Nigeria and its neighbours to combat Boko Haram. From our point of view on the International Development Committee, we welcome the UK’s role in humanitarian relief for those most affected by the insurgency, which we set out in a report published earlier in the summer. That money is being used to provide food, water, sanitation and emergency healthcare for up to 7 million people across Nigeria.

I will also mention, in particular, the safe schools initiative in Nigeria, which has helped more than 90,000 displaced children return to school and provided them with the learning materials and teachers needed, including those giving psychosocial support. DFID has played a role in supporting that project as well, and we welcome the support that DFID and other parts of the UK Government have given.

The United Nations appeal for Nigeria is not fully funded and we urge the Government to do all they can to ensure that it is, including by other countries. At the world humanitarian summit in Turkey in May, commitments were made to address education in emergencies. We think it is crucial for the UK Government, and for DFID in particular, to use their resources and influence on other donors to ensure that the “Education Cannot Wait” fund is properly supported and adequately operationalised so that interruptions to education caused by conflict are minimised to no more than 30 days.

We know that in Nigeria, in that region and in other parts of Africa and the middle east, increasing numbers of children are spending a large part of their childhood, or their entire childhood, as refugees or internally displaced people. It is vital they get that access to education as they grow up, and we therefore recommend that DFID scale up its support for the safe schools initiative, as well as engaging with and supporting the special investigative committee appointed by President Buhari of Nigeria to assess the safety of schools in that country. Our recent report also recommended that DFID continue its support for work to address the drivers of conflict through the Nigerian stability and reconciliation programme.

Since the kidnapping, the Nigerian Government have pursued a military campaign against Boko Haram. They have been able to free other women and girls who have been held by Boko Haram, but none were the Chibok girls. We know that Boko Haram has continued to kidnap women and girls in the north-east of Nigeria. We also know that it has been affected by internal strife and a leadership struggle following its pledge of allegiance to Daesh last year, which resulted in an internal division in the movement. It remains the case that only one girl has escaped from the original 219. There have been sightings of the girls, including by a former clergyman, Stephen Davis, as well as by citizens in Cameroon and Chad.

During his inaugural speech, President Buhari committed to redoubling the Nigerian Government’s efforts to find the girls, saying Nigeria will not have “defeated Boko Haram without rescuing the Chibok girls”. We know that, because of the conflict in Nigeria, nearly 1 million school-aged children have been forced to flee their homes. According to the Human Rights Watch report, “‘They Set the Classrooms on Fire’: Attacks on Education in Northeast Nigeria”, 600,000 children have lost access to learning altogether. We know that teachers have been killed and have had to flee, and that attacks in the north-east of Nigeria have destroyed more than 900 schools and forced a further 1,500 to close.

Today’s debate is an opportunity for us to demonstrate the strength of cross-party commitment in the House to this important movement and campaign. Last year at the United Nations, the countries of the world came together and adopted the sustainable development goals—the “global goals”, as they have become known. Among those goals are commitments to global education, gender equality and, in goal 16, to “Peace, justice and strong institutions”. There can be no better way of demonstrating our commitment to those goals than maintaining the campaign to ensure that we “bring back our girls”.

1.45 pm

Mrs Helen Grant (Maidstone and The Weald) (Con): It is a great pleasure to serve under your chairmanship, Mr Davies. As the chair of the Select Committee on International Development, the hon. Member for Liverpool, West Derby (Stephen Twigg), set out so eloquently, on
an International Development Committee trip to Nigeria in March, we had the honour of meeting a small team of dedicated, passionate campaigners. On arrival at the hot and dusty venue I could hear them chanting and singing. Every day, the small group of mainly women, but with some men, meet at Unity Fountain in Abuja. They campaign for the return of the 276 girls taken from their school by Boko Haram on 14 April 2014. Shortly after the abduction, 57 of the girls escaped. As we have heard, one more escaped in recent weeks, but 218 girls are still missing. The girls from Chibok were just like our girls. They were daughters, they were granddaughters, they were sisters, they were cousins and they were nieces, and they were loved by their families. They had been encouraged to embrace education, and they had, and their families had. They were preparing for their final school certificate when disaster struck. Notwithstanding world condemnation, and the support of Michelle Obama, my right hon. Friend the Member for Witney (Mr Cameron) and a host of others, the girls have still not been returned. It is believed that many are likely still to be held by Boko Haram. Many will be pregnant as a result of rape, often by different men, and we know that many have been forced into marriage. Some have been used as suicide bombers. Some are very ill. Some are HIV-positive, and some have died as a result of physical and mental abuse.

The Chibok girls are a small proportion of an estimated 2,500 women and girls abducted by Boko Haram in 2014. As they return, many face discrimination and rejection by their communities. Some fear that the girls have been radicalised. Others believe that the children who have been conceived will be the next generation of fighters because they carry the violent characteristics of their biological fathers. As a result, children, babies and mothers face stigma, rejection and further violence when, as victims, they should be getting all the help and support they need and deserve to move on with their lives and reintegrate.

For the families of these girls, the pain is hard to imagine. With every reported sighting and every video released, hopes are raised for something positive to hold on to, but then quickly dashed. One father described it as “like being beaten and being stopped from crying”. One mother, who had identified her daughter in the most recent video, sent a video message back. She said:

“From birth, I have been planning for you—your life, your education, your health...Until now, I have not seen or heard anything from you. But I believe that one day, I will fulfil that, my promise to you, and I will see you again, and my happiness, my joy, my life will be complete with you.”

I stand in this great hall as a mother, a daughter, a sister and a politician. I can actually still hear the chants of those Nigerian women at Unity Fountain. I can still hear them saying, “Bring back our girls now and alive. Bring them back now.” Over and over and over again. Rarely have I witnessed such strength and determination.

Now, with the second anniversary of the girls’ abduction having passed, the families and campaigners need world support. They must raise awareness further and keep the issue in the spotlight. They want people everywhere to write, email, tweet with the hashtag #BBOG and hold rallies, vigils, talks and Google chats. We need Governments and agencies around the world to share credible intelligence and all the latest eye-in-the-sky technologies to find these girls and to bring them back home. Time is running out. Every single day, there is more suffering. Decisive action is needed now, and terrorism cannot be allowed to succeed.

1.52 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I thank the hon. Member for Liverpool, West Derby (Stephen Twigg) for securing this extremely important debate. He is a fine Chair of the International Development Committee, and it is a pleasure to serve on that cross-party Committee with him and other colleagues. I would particularly like to thank the hon. Member for Maidstone and The Weald (Mrs Grant), who has just given an extremely poignant speech that almost brought me to tears.

I have a strong interest in this matter. As colleagues have described, earlier this year I visited Nigeria with the International Development Committee, where we met with the Bring Back Our Girls campaigners, whose tireless work keeps the Chibok girls’ memory alive. It has been now more than two years since the Chibok girls were abducted by Boko Haram from their school in northern Nigeria. Other than a few who escaped, they have not been rescued or returned. It is not fathomable for those of us living in the west that our child could be abducted from school for the proposed crime of seeking an education, or that girls, by sole virtue of their gender, should be denied that education. The pain suffered by the parents, who wanted the best for their girls and sent them to school, never to return, is unimaginable. What has become of the Chibok girls during the past two years remains largely unknown.

We visited schools that have bravely dared to reopen since this atrocity occurred, and we spoke with Nigerian politicians about the current status of girls’ education in Nigeria and the continued fight against the brutal extremism of Boko Haram. Arriving in northern Nigeria was daunting, to say the least. I have never been anywhere where the security was intensified so significantly for myself and the group. We were given security briefings, transported in armoured vehicles, had body armour fitted and were protected by armed guards. That shows just how difficult and risky the situation remains for citizens in Nigeria and particularly for young girls at school.

We visited two schools in Kano, one a state school and the other run by the local church. Both were co-educational, although it was difficult to fathom whether the curriculum differed for boys and girls. We were told that early marriage remains the norm for girls in the north of the country, due to both cultural and religious beliefs, which interferes with the length of girls’ education and therefore the intrinsic value for parents of sending them to school at all. Millions of children are still not recorded as being in school, and those who are experience overcrowded classrooms of 100-plus children.

There are significant problems for the Government in providing quality education, due to a lack of teacher training and resources. Cultural beliefs, security issues and lack of future opportunity present ongoing barriers to sending girls to school in Nigeria. The girls we met, from primary to secondary level, wanted to learn, had...
229WH 230WH

1.59 pm

John Howell (Henley) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. Let me start by congratulating the hon. Member for Liverpool, West Derby (Stephen Twigg) on securing this debate, which is very timely and on an issue that we should not forget. I am very grateful to him. I thank too all those who have contributed so far and made valuable points. I do not want to say anything that might diminish their points, which I fully support. The situation is tragic not just for the girls, important though that is, but for their families. Some speakers have given weight to the fact that we are talking about girls who are daughters, cousins and members of larger family groups. That is an important feature of Nigeria.

In my short contribution, I want to widen the debate, pick up some of the points about the underlying cause of the situation and try to give some guidance on how it might be prevented from continuing. I do that in my role as the Prime Minister’s trade envoy to Nigeria. I have just come back from a visit there where I was able to raise this on several occasions with Ministers and businessmen operating there. First, I want to echo the comments of the hon. Member for Liverpool, West Derby about the success the Nigerian Government are beginning to have against Boko Haram. The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) pointed out the large area that it still covers, principally because Nigeria is a very big country, but Boko Haram is being contained. I like to believe that our advice on counter-terrorism and our practical assistance to the armed forces in Nigeria are helping to do that.

All that is good, but it is not enough and the underlying causes of Boko Haram need to be examined. It seems from conversations that Boko Haram’s terrorist threat is linked to the economic situation in the country. The hon. Lady mentioned some of the issues that contribute to that, one being the extent of corruption in a country where 40% of oil revenues are stolen before they reach the Revenue. That is a phenomenal amount of lost revenue that the country could use in the fight against Boko Haram by making conditions much better for people. We must give all the support we can to President Buhari and his Government who, after all, came to power on an agenda to tackle corruption. He is doing that effectively as far he can.

Hon. Members have mentioned peace and justice and I want to pick up on the justice elements because the British judiciary is participating in projects to toughen up the Nigerian judiciary and to give it the ability to tackle these problems in its courtrooms. All that is an important contribution to the work of President Buhari and his Government to try to increase the extent to which the country is tackling underlying causes.

Secondly, the problems in Nigeria will not go away until the currency has been sorted out. Earlier in the year, the Central Bank of Nigeria stated that it would introduce a flexible currency for the future, but we are still waiting for details of exactly what that means. Until then, British companies will resist going into the country. This market will have 400 million people by 2050 and has enormous opportunities for British companies that want to go there. Dealing with the currency problem will have the enormous advantage of ensuring that companies go in sooner rather than later, and by going in sooner they will exert influence over the Buhari Government and their successors and start to take action themselves.

My third point is about the prosperity agenda, which goes across Government and includes the Department for International Development and the Foreign Office. Its purpose is to increase the country’s prosperity. All trade envoys are looking out for opportunities to encourage the use of the prosperity agenda, particularly for training.

All that leads to stability in the local marketplace and that too helps the situation. But it is really important
that we concentrate on ensuring that the prosperity does not go to just a few rich Nigerians. Boko Haram has such success in the north of the country because it is one of the poorest areas. If that wealth is spread more effectively, we will begin to see the erosion of Boko Haram and, I hope, release of the girls.

**Dr Cameron:** I am enjoying listening to the hon. Gentleman's expertise in the area. It was marked during our visit that there is little electronic transfer of money in Nigeria. I am wondering whether progress been made on that because the Government were unable to collect many of the taxes that were due because money was being bartered and there was no record of it.

**John Howell:** I thank the hon. Lady for her question and I wish I could answer yes, but I cannot. The situation is confused and in the last few weeks it has got worse for electronic transfer of money. That, too, is something the Buhari Government must concentrate on to make sure there is a free-flowing money system that will tackle directly the Boko Haram challenge and hopefully lead to release of the girls.

I want to pick up on a point that the hon. Lady made about equality. During one of my visits I went to LADOL, a deep-water offshore oil and gas company run by a woman who trained as a surgeon in Oxford. Although she has two brothers, she was invited back by her father to run the company because of her undoubtedly ability to do so. It was a great pleasure to see her. She set us up with a long line of inspections of the army, the police, customs officials and taxmen, all of whom were stationed on her free trade island in the lagoon at Lagos. Believe it or not, I had to take the salute. It was fascinating.

At a dinner with Nigerian businessmen afterwards, I asked why this woman was not in the Nigerian Parliament and the answer was simply because she is a woman. It was as bold and as simple as that and came from prominent businessmen in Nigeria. I do not think they approved of that and I think they took the view that it was bad, but that the fact that she was there—admittedly she was an exception—was a move in the right direction towards more equality.

There is a trend for the middle classes in Nigeria to come to London. While I am a trade envoy, I want to take London to Nigeria because I firmly believe that will build a stronger middle class in Nigeria which will help to press for release of the girls and the ending of the Boko Haram menace.

Also, to the extent that I have not had the opportunity to do this so far, I would like to have discussions with the hon. Member for Liverpool, West Derby offline, because anything that I can do when I go out there to push this agenda forward, I will very happily do to ensure that this issue is taken up and pursued with equal vigour by President Buhari and his Government and the British Government.

**DFID** does and has done a number of things in Nigeria that I want to pick up. One is that, since 2011, the incomes of 1.1 million people have been raised by up to 50%; 200,000 of them were women. That is a very good targeted use of our money in that country. Similarly, in terms of the focus that there has been on state budgets, looking at both education and health, that money has been extremely well spent. It is useful to reflect that the work being done on privatisation of the power sector also has an effect. It, too, leads to a much broader and more secure economy that helps tackle Boko Haram and this whole issue. I understand that DFID now spends more than 60% of its funds in Nigeria in six northern states, which I think is a very good move. It is one that I am sure we all, across the House, will support and, hopefully, enjoy.

2.11 pm

**Albert Owen** (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for Henley (John Howell), the trade envoy to Nigeria. He is absolutely right to highlight the important point that the new Government were elected to deal with corruption and the economic situation in an oil-rich nation that does not distribute its wealth among its own people.

As a member of the International Development Committee, I want to return to our visit to Nigeria, when we met, in the country's capital city, the campaigners for the release—the freedom—of the Chibok children. It was a very emotional meeting. Like many colleagues, I have had the pleasure over the years of listening to some prominent speakers, but the tone that those campaigners set and the words that they uttered will remain with me for an awfully long time. I stood there listening to my colleagues speaking alongside the campaigners, and I did so as an uncle and a father, not as a visiting Member of Parliament. I listened to the chanting for the release of these children.

The British Government have a proud record of investing in the human development, through education, of people across the globe, including in Nigeria. On the International Development Committee visit, we visited many educationists. We met politicians, including the vice-president. We met a number of people, and it was stark that there were very few young people under the age of 35 in Parliament—I believe that the constitution does not allow those people to represent their country. There were also very few women in either House of Parliament. We met people from both Houses while we were there.

Education is so important. It is vital that we get educated young people in Nigeria, including women, coming through to represent their people, so it was hard to take the situation in. These young girls had committed no offence whatever other than to attend school to educate themselves. Their brave parents had sent them to the dormitories and have never seen them again. Hundreds of children were abducted by a terrorist organisation. There is no nice way of putting it—it is a terrorist organisation.

I would be abdicating my duty as a parliamentarian if I did not repeat something that some of the fathers said to me: “When you return to your Parliament”—we made this pledge and are honouring it today—“think about this. If there had been children here from the United States, the United Kingdom, France, Israel or other countries that have been involved in working hard on this, would there have been extra effort by the Nigerian Government to release these children?” I know that it is not easy—I understand economics and the terrain—but I believe that these are young human beings. We, the international community and the British Parliament, have a proud tradition of working to release people in such circumstances.
I am sure that the Minister will make an eloquent speech when he winds up this important debate and will tell us about the work that is being done behind the scenes. We understand that, and we understand that the expertise is being used in a positive way, but parents are still without their children. That is the fundamental argument in this debate. These young people were not unlike any young person in this country attending their school. I say to anyone who is an uncle, a father, a mother, a niece or an aunt: just think of how the relatives must be feeling, having been without their children for two years. Then there is the indignation at this terrorist organisation releasing videos and using the children as political pawns on TV in their own country. The international community has to do more to work with the Nigerian Government to get them released.

On the issue of corruption, we met the police, and a new unit is being set up. The new President, Buhari, was elected to eliminate corruption, but he pledged swift action to release these children as well, and the campaigners are angry with their own Government. I am not angry with our Government, because we are doing a lot of work in Nigeria, including on education. We must provide not just basic education for children but basic safety, and we must work with the other members of the international community and with the Nigerian Government to provide a setting for children and young people to become the parliamentarians and businesspeople of the future. They need that basic education and that basic safety.

I will not echo the eloquence of other speakers who have given a breakdown of what has happened in Nigeria, but I do want to echo the sentiments of the campaigners we met in Nigeria. They are honest, decent people whose only sin was to send their children to school. Think about that. I say, in the best British tradition, that this Parliament today stands shoulder to shoulder with those campaigners, and we ask for the release of those schoolchildren today.

2.17 pm

Anne McLaughlin (Glasgow North East) (SNP): I was mightily relieved earlier when I did not have to follow the very moving speech by the hon. Member for Maidstone and The Weald (Mrs Grant)—that was a tough act to follow. I pay tribute to everyone who has spoken today, but particularly to the hon. Member for Liverpool, West Derby (Stephen Twigg) and the whole International Development Committee for not forgetting about these parents and children. I have many Nigerian constituents and friends, and I know that it matters so much to them.

It is important to point out that although anyone watching might think that this is an empty Chamber, two debates are going on today and constituency work is also going on. We are not the only people who care about this issue. I have had incredible feedback from members of the Scottish National party group and other groups. I want us to put that message out there to anyone watching: this is just a tiny snapshot of all the people who care about this issue.

I am privileged to be able to contribute to this debate—indeed, to any debate in this place. I am privileged because I am one of an appallingly small number of women in the world to hold elected office. In fact, it is estimated that only 22% of all parliamentarians globally are women. As a woman, I am also, apparently, privileged to have benefited from education, and from higher education in particular. As we have heard, other women and girls across the world have not been so lucky.

The missing Chibok schoolgirls were brutally torn from their families and their lives for no worse crime than accessing the education that we all take for granted and have done all our lives. They were kidnapped by a group that prioritises the prevention of a secular education but particularly prioritises the prevention of any education at all for girls. That is in a country where opportunities for women to achieve a reasonable standard of living are already scarce.

Any reasonable person would find it difficult to comprehend the motivations of the men who commit such acts. Acts of barbarism struck sufficient terror into the heart of communities that schools were shut down lest their children be kidnapped or murdered. Such acts of terrorism, and this one in particular, would not easily be forgotten had they occurred in this country. Two years on, it is vital that we continue to remember these girls, that we work to ensure that this evil act remains on the news agenda and that Governments across the world continue to exert pressure to target this crime.

I welcome the support of the UK Government and others for the Nigerian military. I call upon the British Government to ask whether, in addition to what we have heard they are already doing—they are doing a lot to help—it is possible to do anything to increase the international pressure, provide assistance to the Nigerian Government and help bring back the girls. If it is, I urge them to do it.

I also ask the Government to consider supporting the Nigerian Government in re-establishing education for the millions of people displaced by terrorism in sub-Saharan Africa. I know they are doing some of that, and clearly the priority in this debate is the missing girls, but female education has become almost non-existent in the areas terrorised by Boko Haram. The thousands who have had to flee—both boys and girls—are also now without an education. But the large-scale displacements of people to areas not affected by Boko Haram mean that there is also the freedom to ensure that those displaced people are allowed to be educated. I wonder whether our Government could do anything more to support them to do that, until those people are safely returned home and can be educated in their own towns and villages.

There are 62 million girls around the world aged between six and 15 who are not in school. We know that educating girls does amazing things for the societies in which they live. It correlates with an increased GDP, it provides better outcomes for girls and women themselves and it leads to healthier children, because a mother who can read instructions on a medicine bottle, for instance, is a mother who is more able to protect the health of her child. It is clearly worthwhile for all Governments to work to support girls’ education across the globe as part of their efforts to promote development.

It goes without saying that the pain and anguish that a family go through when a child is missing must be unbearable. “Unimaginable” was the word used by one hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), and that is probably...
As a grandfather myself, with a 15-year-old granddaughter, let me say this to Members: imagine that your child, your granddaughter, was taken away from you—the child that you love so much—and that you did not know where the child was now. That is what the people were telling us; as a human being—as a father or grandfather—I was imagining what it would be like not to know what was happening to my child and to feel so helpless about their safety. That was the feeling and it is what has given Committee members—those who have spoken in the debate—the commitment to come back to see what else we can do.

Every Member who has spoken has given the details and set the scene: the country, the way the Government operate there, the corruption and the north-south divide. People there are still talking about out-of-date ideologies. They are not talking about the 21st-century society we want to live in, where the whole world is coming together to make sure that everybody has equal rights and where, as we put it, nobody is left behind. There are many slogans and sustainable development goals: all the world leaders have signed up and given the commitment that every child will be protected, and that there should be education for all and the elimination of poverty. Yet in some areas there are still individuals and ideologies that do not want their girls to be educated or to live free from fear of terrorism. We have been fighting inequality for years in the western world, and now we are talking about how best we can improve that—not only here, but throughout the world.

The time has come for the whole world to come together. Those girls must be waiting for someone to release them. The parents, grandparents, uncles, aunts, brothers and sisters are waiting for someone to bring their children back. Some Members have said that for reasons to do with culture, faith and many other traditions, the girls who come back are badly treated and not accepted. We need to advocate the protection of those who come back and look at how to bring them back into society.

I am proud that we have offered nothing but unwavering support for the families of the girls and aid to the Nigerian Government as we continue to lead the international effort to secure the girls’ safe release. I commend DFID for providing consistent aid through development and for working alongside intelligence and military teams that have been key partners of the Nigerian Government.

I am pleased to say that the Government have taken further actions to ensure that schools become a safe place for all children. The safe schools initiative has proved successful in helping more than 90,000 displaced children to return safely to education. However, it is important that we do not stop there. I recommend that we increase our support and aid to this troubled region, as there is still much to be done.

President Buhari has appointed a special investigative committee to evaluate the vulnerability of education facilities. I hope that DFID has already taken steps to communicate effectively with this group in order to influence the Government’s policy decisions. Safety in schools is undoubtedly paramount to future regional development. Given the tendency of Boko Haram to target schools, we must be able to ensure that children will be safe in their place of education. Although we will continue to support the Nigerian Government’s
efforts to bring the girls home, it is key that we stress the importance of education and the protection of women and girls from violence.

While some state governments in Nigeria have been unable to provide adequate schooling for children, I am concerned that the private sector provision is not in keeping with the sustainable development goals’ commitment to leave no child behind. I therefore urge DFID to focus on how to help the Nigerian state governments to improve their public sector education provisions. By continuing to offer assistance for the provision of safe and successful schools, we are ensuring that children in Nigeria have access to a proper education. We hope that in our efforts, we will encourage even more Governments to offer their help.

While addressing these appalling acts of terrorism, we must not in any way fuel Islamophobia. It is clear that the actions of such a group lack genuine ties to Islam, which teaches the benefits of an education for women. This group is based on an outdated and cruel ideology, at odds with morality and the modern world. It is our duty to do all that we can to ensure the girls’ safe return.

2.34 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the International Development Committee, ably led by its Chair, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), on bringing this important issue to the House today.

I want to touch on some of the wider issues, following the line of argument made by the hon. Member for Henley (John Howell) on why what happened is a symptom of some of the other challenges in Nigeria. I have a very strong interest in Nigeria. I am proud to represent one of the largest diaspora groups in the UK. I am a former chair of the all-party group on Nigeria, which I chaired for five years, and I had the pleasure of visiting Nigeria on three separate occasions.

In 2014, I hosted an event on the issue of the Chibok schoolgirls; we had a representative from the Nigerian high commission and a lot of diaspora Nigerians present in the room, where there was palpable upset and anger. I will touch on this further, but this was really at the beginning of a rise in feeling from the Nigerians politically against some of the actions of their then Government.

It is also worth highlighting Nigeria’s huge importance both to the UK and to the region, as Africa’s most populous nation. It is a key player in security and potentially in trade in that region. Our last Prime Minister, the right hon. Member for Witney (Mr Cameron), signed a concordat in 2011 with the then President Goodluck Jonathan to double bilateral trade between our countries. Although that seems a bit distant from this tragic kidnapping—218 girls are still missing—it is related and I will go on to explain how.

The hon. Member for Henley, with his vast knowledge and experience, highlighted the issue of companies from Britain seeking to invest in Nigeria. We have heard on a number of visits and in events here how British businesses are putting their energy into boosting the Nigerian economy because of security and other issues.

My hon. Friend the Member for Liverpool, West Derby set out the detail of the terrible, large-scale kidnapping that took place. As so many others have eloquently highlighted, that act rightly shocked the world, but as the hon. Member for Glasgow North East (Anne McLaughlin) rightly said, although this was the most terrible and awful action, it is not the only act of terror against children in Nigeria. Other schools have been attacked and pupils have been brutally murdered and abducted.

That was forcibly brought home to me when I was working with a group who had come to London at the behest of the Tony Blair Faith Foundation. It was a cross-religious group of Muslims and Christians, working for a fortnight to develop skills to try and tackle extremism at its root cause. One of the members who had come over—her nephew had been brutally murdered in his school bed—brought home to us very firmly the human reality of what is going on in Nigeria. In 2014, more than 2,000 people were abducted, so although the Chibok girls are the visible sign of that and rightly attracted international attention, let us not imagine that that is the beginning or the end. Even if they are happily returned to their families, we should not rest there. I think we would all agree that we need to keep vigilant.

The key issue is how to tackle Boko Haram and stem the threat of extremism in Nigeria and the region. I welcome the UK Government’s support for military training and the commitment in December last year to increase that. Is the Minister able to give us an update? We know that it is a very challenging arena to work in and, of course, the issue is about collaboration and not about us going and telling the Nigerians what to do. Nigeria is a sovereign nation and it is important that we recognise that, but there is a resource issue and I would be interested to hear from the Minister what more is happening.

I am very pleased that DFID has increased its spending in Nigeria, although my love for Nigeria means I am sad that that is still necessary. However, the decision was made following a needs-based assessment and it is great that DFID is helping to tackle poverty, disease and to improve education, particularly for girls.

On one of my visits, I went to a school in the Kano area, in the days when it was easier for Members of Parliament to travel around the country. There was a training programme there, funded by DFID and delivered partly with Save the Children, to get more girls trained to be teachers, because girls were not going to school in parts of the north of Nigeria as their parents were not keen for them to be taught by male teachers.

The girls were in a compound with barbed wire—not particularly, in those days, because of the security threat from terrorism, but because their husbands and fathers would not have let them come to be trained as teachers if there was any risk to them in cultural terms. It was effectively a brutal chaperoning system—“brutal” in that there was barbed wire—to make sure that those girls were completely protected. They were ambitious young women. I was there with my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), and we were talking to them as women to women.

We were quite shaken when the woman running the programme said to them, “Remember, when you go back to your village, be yourselves. Don’t try to be too ambitious.” Part of her role was to get them to go back
and be teachers, and to stay doing that, but when we were talking to them we found that those young women had ambitions to go beyond teacher training and do other things.

As two British female MPs who have worked hard, and had a good education and the opportunities that life in this country has presented to us, we understood but were shocked at the limits being put on women around the world, although in that case, perhaps, that was to give more women opportunities. As one hon. Member for Glasgow North East highlighted, an educated woman—the first educator of her children—can deliver so many things, including knowledge of healthcare.

On my last visit to Nigeria, I went to Minna, and saw parents taking control of the school in their area. They were helping to run the school, a bit like a super parent-teacher association, working with the headteacher to ensure that young women who might be hawkers on the roadside were scooped up, gathered up and put into education. I spoke to parents of three-year-olds who were keen for them to get an education.

Let us not kid ourselves: education is a huge prize in Nigeria. Why do schools in my area do particularly well? We always praise schools in Hackney and we know that lots of things have gone into that, but one factor is that we have a large west African population, who prize education and whose children strive to achieve with great parental support. That is no different in a village in Minna than on an estate in Hackney. I also had had the opportunity to visit some of the human rights policing work. Small scale but important activities are going on with the support of the Department for International Development.

I turn to inequality and sexual exploitation. During a visit to Nigeria with the former Africa Minister, the hon. Member for Rochford and Southend East (James Duddridge), I heard that perpetrators of sexual offences against young girls were getting off with a fine less than the price of a UK parking ticket because the shame on the family of having a prosecution and evidence that their daughter had been sexually molested was too great. That is some of the backdrop to the attitude and challenges for women in Nigeria, and they are big challenges.

There are other complications, such as security. Nigeria has a large and porous border. I have had security briefings and it is mind-boggling to imagine. It is not just that Nigeria is a huge and populous nation, but that the border with Chad and other countries to the north is long, porous and challenging to police. Will the Minister update us on any work that the UK is doing to support the Nigerian Government in managing those border challenges, as Boko Haram go in and out of the country causing havoc?

There is huge poverty in Nigeria. Most Nigerians live on less than $1.50 a day. There is a lack of investment in infrastructure because, sadly, so much corruption still exists. In fact, when I was in Minna with my hon. Friend the Member for Newcastle upon Tyne Central, she bartered to buy some juicy mangoes. We worked out that they cost less than 20p each, but by the time people got them in Nigeria—if, for example, sellers got them to Lagos through various police checks by paying bribes—they would cost too much to make it worth the while to transport them.

A mango costs about £1 in Ridley Road market in Hackney and about £1.50 in Sainsbury’s. Challenges such as the lack of infrastructure and corruption create difficulties for things such as exports, which would help to boost the economy. I do not want to digress too much, but that is certainly a big element of tackling poverty, and I refer hon. Members to previous reports of the all-party group.

There is now a big north-south divide in Nigeria. The north is much poorer, less well educated and at greater risk from Boko Haram. It has a young population in great need of skills and training. Those girls who were at school to get the skills, training and education they needed to contribute and help to boost the north of Nigeria have still not been returned to their parents.

I mentioned the impact of the Chibok girls on the attitudes of Nigerians. As my hon. Friend the Member for Liverpool, West Derby highlighted, the situation had a big impact on the Nigerian election and was one of a number of factors that influenced the outcome, unseating the People’s Democratic party for the first time since the re-establishment of democracy. Yet, as the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) said, women are still woefully under-represented in the Nigerian Parliament. From my visits, I know how much support is still needed to support democracy at all levels.

Women politicians in Nigeria face challenges including open discrimination and physical attacks. While we in the UK are sensitive to this, particularly recently since the death of our colleague, the situation is nowhere near the same. We do not feel that same fear when we walk out of our doors. We do not face the challenges that our female colleagues in Nigeria do. Although changing that would not have solved this issue, it is an important backdrop.

The poorest communities need hope, infrastructure, education and jobs. Although the Nigerian Government are doing their best to tackle the rampant terror in the north and the activities of Boko Haram, they are still some way off resolving it. I suspect it will be years, if not decades, before that is challenged. Perhaps the Minister can give us an update. The terrorists exploit poverty and it is important that the international community fights poverty with the same vigour as it fights the military might.

It is important that we unite to tackle Boko Haram. Think of the poor Chibok schoolgirls and the anguish their families are facing: there is a real risk that such things will continue to happen unless the root causes—poverty and terrorism—are tackled. I look forward to the Minister’s response.

2.45 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I rise, as the third party representative, to sum up this debate, which is a hard task. I congratulate everyone, especially the hon. Member for Liverpool, West Derby (Stephen Twigg)—the Chair of the International Development Committee—and all the members of his Committee who have given such eloquent and heartfelt updates on their experiences of visiting Nigeria. I apologise if I miss out anything significant. I got so involved in the debate that I forgot to take as many notes as I normally would.
The work that Governments here do to support countries abroad is a great credit to them and to this House. However, today we are here to talk about the missing Chibok schoolgirls who were brutally kidnapped by Boko Haram. As all hon. Members have said, it is almost inconceivable and unimaginable to think about what those parents and families are suffering, and about what has happened to those girls—girls who are the same age as the granddaughter of the hon. Member for Ealing, Southall (Mr Sharma). I have grandchildren. In fact, I only have granddaughters, and it tears my heart to think that they could have been in such a position. As a developed country, we must and should do everything we can to support any country that has to go through this.

The Chair of the International Development Committee gave a full and heart-rending explanation of the Committee’s visit and of all the things that have happened. On the “Bring Back Our Girls” campaign, I confess that I simply tweeted, retweeted and did not know enough about what had happened. Rest assured, I will become more involved. As my hon. Friend the Member for Glasgow North East (Anne McLaughlin) said, the representation in this room is not representative of what this Parliament wants to do and the support it wants to provide. We need to think about how the situation affects us, but we must understand and address the basic concerns of what has happened in Nigeria and the reasons why. We are talking about poverty, cultural issues and the role of women and girls in society, which we really must push forward.

I will briefly mention those who have spoken. The hon. Member for Maidstone and The Weald (Mrs Grant) gave an emotional account of what happened to her when she went to Nigeria. She focused on the families suffering, as did many other hon. Members. It is really important that the girls are not forgotten and that the issue keeps getting raised so that more can be done nationally and internationally, and that it never leaves the public imagination here and abroad. It is only with continuous pressure and real hard work, which has already been done by the members of the International Development Committee, that the girls may have the possibility of being returned.

I return to the status of some of the girls who have come back from similar incidents and how the culture and society in Nigeria work against them. They are seen not as victims but as tarnished people who cannot take back their full place in society. That is an abomination in any country, and we need to fight against it.

The hon. Member for Henley (John Howell) gave a good overview of his role as trade envoy and of how by having more trade with Nigeria, and by dealing with the trade issues there, we could produce more prosperity, which might help culturally and even educationally. If people have more money, they are likely to be more educated, which will also change cultural attitudes.

My hon. Friend the Member for Glasgow North East spoke more generally about the role of educating mothers. My parents were told many, many years ago, “If you educate your daughter, you educate the family.” That is so true. She gave the simple, illuminating example of a mother being able to read the instructions on a medicine bottle. What a difference it makes to a family if the mother can do that.

My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), who is a member of the IDC, gave a full and heart-rending account of her visit and the security issues involved in making even a simple visit to northern Nigeria. All Committee members are to be commended for their bravery and dedication. To go through that and to come back with a burning desire to help even more is commendable.

It is also important that all those who have spoken have congratulated the UK Government on what they have done so far while appealing to them to do even more to help. We understand that forces have been sent to help, to train and to try to find and rescue these girls, but the girls have not been rescued because of the terrain and all sorts of other reasons. We must not give up on these girls.

Once again, I commend everyone who has spoken in this debate for substantially raising awareness. Two years on, these girls must not be forgotten.

2.52 pm

Catherine West (Hornsey and Wood Green) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I will be brief so that the Minister has time to respond to the specific points that have been raised. I am grateful to the Chairman of the International Development Committee, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), for securing this debate. As ever in Westminster Hall, this has been a cross-party and collegial debate.

I will press the Minister on a couple of points about the assistance that the Government are giving to Nigeria. Will he comment briefly on the larger number of 276? Is he aware of the services on offer to the girls who have returned, particularly post-traumatic services? Does he believe that the services funded through the DFID budget are of high quality? Will he briefly touch on both the Defence and Foreign and Commonwealth Office budgets being spent on assisting with the logistics of finding the girls who are still missing in this huge terrain?

Will the Minister comment on the sensitive matter of returned girls who want to terminate their pregnancies? What choice of healthcare is on offer? Will he comment on those who, through ostracism in society, are sadly facing destitution? What sort of basic welfare is available to these girls? Some of those who have returned are being ostracised. That information comes from House of Commons Library research and the Guardian article by Chitra Nagarajan, who has underlined that although some girls have been returned, and we hope more will, those crucial services must be in place. High-quality, long-term, ongoing care, in which the UK has expertise and which we are in a good position to offer, would be valuable. By providing such care we could rest assured that excellent services are available when more and more of these girls are returned.

I address my other short point not to the Minister but to our Government’s trade envoy, the hon. Member for Henley (John Howell). He has an important role to
play, and I am pleased that he has emphasised that the
Nigerian judiciary has a role to play in strengthening
the effectiveness of the rule of law. Will the Minister
outline how the roles of the trade envoy and the FCO
will be co-ordinated so that we strengthen our messaging
when officials and envoys are in Nigeria so that these
issues are discussed at every single opportunity, not just
Government to Government or military to military, but
in a genuinely co-operative and co-ordinated response?

John Howell: It depends on the cheekiness of whoever
is the trade envoy. In my case, I take everything under
my own banner and I do a bit of the co-ordination
myself. If I can continue to do that, so much the better.

Catherine West: I encourage the hon. Gentleman to
be as cheeky as possible.

Once again, I thank all Members who have taken
part in this debate. I apologise for not having a chance
to mention everyone, but I particularly thank the three
Members who were there and who heard the chanting.
They are wearing their badges today. Listening to their
speeches was very emotional.

2.56 pm

The Parliamentary Under-Secretary of State for Foreign
and Commonwealth Affairs (Mr Tobias Ellwood): I
congratulate the hon. Member for Liverpool, West Derby
(Stephen Twigg) on securing this important debate. He
does incredible work as Chair of the International
Development Committee. He raises the interesting
concept—I do not know whether we can formalise it—
that when the Committee makes such a visit perhaps
there should be a more formal opportunity to present
its findings, rather than simply producing a standard
report. Members on both sides of the House have
articulated a sense of knowledge and expertise, as well
as a commitment to really understand these issues and
to press the Government, and indeed the international
community, to see what more we can do. Hearing
people say that is more powerful than any report, even
though the report is valuable, too.

I congratulate the hon. Gentleman on leading the
Committee’s visit in March. It was clearly very productive.
I join him and other hon. Members, some of whom are
wearing their “Bring Back Our Girls” campaign badges
with pride to raise the campaign’s profile—as has been
mentioned, the campaign has reached the White House
and elsewhere—in reminding people that it has now
been a couple of years since the horrible abduction of
these missing children. I am pleased that we have this
opportunity to debate the matter, which allows me, as
the Minister with responsibility for Africa, to place on
the record what the Government are doing.

There has been a huge number of questions, as there
always is. I will do my best to answer them in the time
provided but, as usual, I will write to Members in detail
if I am not able to provide the necessary full answers
here today. We were all very moved by the speech of my
hon. Friend the Member for Maidstone and The Weald
(Mrs Grant). She has a powerful understanding of what
is going on, and she provides a level of expertise and a
founding understanding of what is actually happening
there, not least the power of the campaign. I pay tribute
to her for raising this matter again and again. We all
owe her tribute for her work.

The hon. Member for East Kirkbride (Dr Cameron)
made it clear that we know very little about. [Interruption.
Sorry, do I have the constituency wrong? You are laughing
at me, but that could be for a myriad reasons.

Dr Cameron: It is East Kilbride, Strathaven and
Lesmahagow.

Mr Ellwood: I now realise why I missed off the last
part. The hon. Lady made the astute point that we do
not really know what has happened to these girls in the
past two years. We absolutely do not know. Anybody
who is a parent or who has a sister can only guess what
these people are going through and enduring. We need
to provide mental support when the girls return because
there is no doubt that they have been mentally scarred
by what they are going through. That is very important.

[Mr Graham Brady in the Chair]

My hon. Friend the Member for Henley (John Howell)
and I had the opportunity to discuss Nigeria only a
couple of days ago, when we had our first meeting in
the capacity of inviting trade envoys for Africa to the
Foreign Office. It was timely for us to engage on that
matter. I join others in paying tribute to his work. He
reminded us of some of the underlying causes that must
be dealt with, not least the economy. We can try to
defeat insurgencies militarily, but ultimately, we must
give the people and communities something better to
look forward to. They need a way of life that is successful
and more attractive than that offered by an extremist
organisation. The detailed knowledge that he brings is
much appreciated.

My hon. Friend mentioned the huge challenge that
the size of the country presents. I will touch on that a
little later. The scale for the military combing through
the various parts of Borno and east Nigeria is immense,
which is why the international community must work
together. Once we have done that and created an umbrella
of security, that is when an economic strategy needs to
kick in. The ingredients are there. Nigeria is a powerful
country in Africa. As he highlighted, there is much that
we can do on bilateral relationships. He has illustrated
clearly that he is the right person for the job, and we will
continue to work with him.

The hon. Member for Ynys Môn (Albert Owen), if I
have pronounced that correctly, spoke about the value
of the Committee’s visit in March. I have underlined
why I appreciate its work. He emphasised that there are
parents out there who are missing their children. We are
debating the issue and highlighting it, and there are
people watching and discussing it, but there are also
parents who are aware every single moment of the day
that their loved ones are missing, and we should be
conscious of that.

The hon. Member for Glasgow North East (Anne
McLaughlin) underlined the value of this debate. She is
right that Thursday afternoon is not always the busiest—
there are other things going on across the estate—but it
is important that we debate such matters, and I hope
that we will have a regular opportunity to discuss the
wider issues to do with this part of Africa as well as
the plight of these schoolgirls. She is right to remind us
of that.
The hon. Lady also discussed the call for increased international assistance. At the UN General Assembly in a couple of weeks, we will hold an event to rally further support for what we are doing to assist Nigerians in defeating extremism and freeing the girls. She also highlighted the importance and value of education. If I may, I will write to her in more detail about the DFID programme that is in place and how we are making huge efforts to provide education, particularly to girls, so they can have the best opportunities in life. I will be in touch with her.

Albert Owen: The Minister is making an important point. I am sure that Committee members will join me in paying tribute to the DFID and Foreign Office staff in Nigeria, who took us to meet the campaigners. No stone was left unturned; we saw at first hand exactly what the campaign is about and the programmes to make things better.

Mr Ellwood: I absolutely concur. I am grateful that that could happen. Looking through my notes, I can see that we have provided support for more than 300,000 additional girls to attend primary school in Nigeria and that more than 50,000 girls have benefited from safe space interventions, which provide training and support to help their confidence and improve their skills, as well as the opportunity to seek work. DFID is providing a package of measures. The Under-Secretary of State for International Development visited Nigeria only a couple of weeks ago. I understand. I must catch up with him before my own visit there in the next month or so. This debate has been timely, as I will need to raise these matters when I visit the country.

The hon. Member for Ealing, Southall (Mr Sharma) spoke of the international community’s wider requirement to work together. Members have been generous in supporting the Government’s initiatives, but ultimately, the more we can lead by example and encourage other countries to join us, the more leverage we have, not just in the military component but in all the other aspects that we have been discussing.

The hon. Member for Hackney South—I have probably missed a bit of that constituency as well. Have I?

Meg Hillier: And Shoreditch.

Mr Ellwood: I only learn the first bits; it is easier. The hon. Member for Hackney South and Shoreditch (Meg Hillier) gave another great example of the expertise that she brings to the house as chair of the all-party parliamentary group. She was also the first speaker to touch on the importance of the diaspora in this country and the relationships associated with it, separate from the bilateral relationship, the prosperity agenda and so forth. I pay tribute to the pioneering work that she does to ensure that those relationships are strong.

The SNP spokesperson, the hon. Member for Motherwell and Wishaw (Marion Fellows)—have I got that right?

Marion Fellows indicated assent.

Mr Ellwood: I am getting better at this, clearly. She spoke about the underlying problems. I will come to that in a second, because it is important to dealing with areas of instability and conflict, which are an incubator for extremism. She gave an important list, including poverty, cultural issues and the role of women and girls in society. In the 21st century, it is important that we can articulate that from an early age, which is exactly what some DFID programmes are doing.

Finally, I turn to some of the questions raised by the Labour spokesperson. Her speech was quite short; she caught me off guard a little by stepping back, but she clearly wanted to give me the most time possible to answer the points. She spoke about post-traumatic services, which must be considered. I do not have the details, but the former Foreign Secretary, now the Chancellor of the Exchequer, raised with President Buhari our concern to ensure that that package of measures is in place. Again, when I go on my visit there, it will be on my list.

Catherine West: I understood that the debate would finish at 3 o’clock, but we now have loads of time for interventions. Will the Minister write to the Committee members and to me about the exact provision for women, particularly in relation to some of the healthcare issues that I mentioned, including post-traumatic support and counselling and the depth of those services? It has been highlighted in press reports that some of that provision is not necessarily reaching the ground, and it should be ready in case other girls return who have been abducted or radicalised. We would like the detail.

Mr Ellwood: The hon. Lady has explained why she made an uncharacteristically short speech, thinking that the debate would be curtailed at 3 when we actually have more time. I will certainly be able to discuss other things, if there are more that she was hoping to present.

The hon. Lady raises some important questions about post-traumatic services and the role of the envoy. If I may explain, when I invited a number of the Africa envoys to meet me as the Minister for Africa, I wanted to know what the formalities were and how we could utilise them. In his own way, my hon. Friend the Member for Henley put his finger on the point: it varies incredibly according to the enthusiasm of the individual tasked with the job of envoy. I would like to elevate it to a much more formal role, so that envoys are tasked by the Prime Minister, occasionally get access to the Prime Minister at No. 10 to share their thoughts and have to write reports. I understand that none of them has to do so. We have not only a gifted but a committed envoy, who has attended this debate, but there is no requirement for any of the trade envoys actually to produce any work. I think that that is wrong.

We are considering ways we can work together on a more formal footing to leverage the role, because it is important. As we have seen, envoys can get amazing access. Because it says on their business card “Prime Minister’s envoy”, they get incredible access, and that needs to be leveraged appropriately.

Catherine West: May I suggest that the Minister not only reaches officials but goes to small business communities, which provide huge opportunities for applying pressure in regional ways? They go into communities in much more depth.

Another point I want to make concerns linking the trade envoy with the all-party group and the Chairman of the International Development Committee and its members. We are all here, so perhaps we could establish
a reporting-back system by trade envoys to the Select Committee and to the APPG on occasions, if that is permitted, so that the informal networks that operate among parliamentarians can be enhanced and we close the gap.

Mr Ellwood: The hon. Lady is making up for the shortness of her speech with the length of her interventions, but they are welcome. There are useful observations and initiatives to be pursued there.

John Howell: The Minister is absolutely right when he says that the trade envoy has unparalleled access in the country. It is unparalleled access to Ministers—indeed, right to the top—and to the companies that are there, big or small. I have already been twice to the APPG and I want to continue to do so, provided I do not have too many reports to write.

Mr Ellwood: I think we have some momentum there and certainly some ideas that we need to formalise. That is very much appreciated.

At the core of the problem is not only the challenge of a country that has to deal with the corruption and red tape that we see in many countries in Africa, but the blight of extremism in the form of Boko Haram. Unfortunately, as we have seen with al-Shabaab, Ansar Bait al-Maqdis and Daesh itself, extremist organisations take advantage when there is a power vacuum. They offer something else to the local indigenous people. They say, “Believe in me and I can give you something else.” Unless there is something else as an alternative, they will always win. And—dare I say it?—we saw that in Northern Ireland with the IRA when youngsters saw nothing else on their agenda or in front of them but to join a club, extremist though it might be, because they felt part of something and they got cash and status. That is what is happening in the north-east of Nigeria, and that is what we need to change, as it changed in Northern Ireland. It is a challenge that the international community must face. It is the responsibility not only of Nigeria, but the international community, because the consequences are that the trouble bleeds into neighbouring countries, triggering a refugee crisis, which bleeds into other parts of the world and across the Mediterranean, as we have seen.

Boko Haram’s violent insurgency has resulted in more than 20,000 people being killed in Nigeria and caused more than 2 million people to be displaced. I understand from the UN that 9 million people are in need of assistance across the Lake Chad basin. UN reports also confirm that about 250,000 children are suffering from severe acute malnutrition in the Borno state alone.

As has been mentioned, 276 Chibok girls were abducted in April 2014, 57 escaped and one has been confirmed dead, which leaves 218 still missing. It is the figure of 218 missing that has prompted today’s debate.

Boko Haram has been around for some time. It was formed in 2002 as a Sunni fundamentalist sect, but it has developed into a Salafist jihadist group. It seeks to impose its ideology on communities it occupies in the north-east of Nigeria. Today Boko Haram officially refers to itself as the Islamic State’s West Africa Province, because it has decided to join Daesh/ISIS. I am afraid that organisations that are not necessarily attractive themselves are joining that international franchise in the hope that they will then get further funding and advice on how to move their extremism agenda forward. That is of interest to all of us because of where it leads. That is why we have to work not only in Nigeria but in Libya, in Sirte, and wherever the black flag has been taken over by a local terrorist group to further its cause. It is why we are joining with others on the military side and providing intelligence as well.

The international community has responded, as we have heard today. In January 2015 a joint multinational force was formed with units from Benin, Cameroon and Chad, and with Nigerian forces as well. We have provided assistance in three forms, which have been mentioned in the debate. The first is in a military capacity. We have more than 300 personnel involved in training and advising the Nigerian armed forces. We are also providing huge levels of intelligence, although I cannot go too much detail about that here. Thirdly, and of most interest to the International Development Committee, there is the humanitarian support. There is no doubt that the Nigerian military and the international force have made progress, but, as has been outlined, Nigeria is a massive country. It has often been the case that when the forces have been able to clear an area and move forward, they have not been able to hold it, and that has been a problem. We are getting far better, but it is a challenge. Unfortunately, Boko Haram continues.

There was not only the event in 2014 that we are discussing; the horrific attack on the UN convoy that took place in August is an illustration that it remains very active indeed.

We are providing a wide range of support, as the hon. Member for Liverpool, West Derby outlined articulately. We have provided support in hostage negotiations, for example, as well as financial support, military support and humanitarian aid, which I will touch on in more detail. The UK has increased its support to £32 million over the next three years. It is not my call—it is DFID’s shout—but we are looking to see what more we can do. That will be subject to debates that we will have at the UN General Assembly, but there is a desire to do more, so I am pleased that this debate can help to frame where some of the extra resources can go.

There has been a series of ministerial visits. Baroness Anelay, the Foreign Office Minister in the Lords, visited in February. The former DFID Minister, my hon. Friend the hon. Member for Ruislip, Northwood and Pinner (Mr Hurd), visited prior to the change in Prime Minister. As I mentioned, the current DFID Minister with responsibility for Africa visited a few weeks ago, and I will be going in the next month. That shows Nigeria that we care about what is going on. It also allows us to influence in the best possible way how we can support that country along the three tracks that I mentioned—economic, humanitarian and military. We have pushed back Boko Haram, there is no doubt about it, but we have not completed the job yet.

Clearly, as many hon. Members have illustrated in the debate today, we will not defeat Boko Haram militarily. What we have done is not enough. Boko Haram will simply reform and recruit if something better is not put in place. There needs to be economic development and civilian-led security so that people genuinely feel safe. They want not military people in green uniforms but civilian operators, with gendarmes policing and so forth.
We also need improved governance. We need councils and mayors in place, and for governance to work, we need people who are respected and not corrupted to make the local decisions. We need better delivery of basic services such as education and health, which are the basic pillars for any community to be able to move forward. The Nigerian Government recognises that and have been open and have put their hands up about where support is required. That was outlined in the Abuja regional summit in May, and there will be further big conferences with a focus on that issue. Our support reflects that approach, in the sense that we are placing our focus not just on the military but across the piece. As I mentioned, these matters will be considered at the United Nations General Assembly, and I hope that that will deal with not only Nigeria but the whole Lake Chad basin, because there is a need to see things in context.

This has been an extremely important debate, and I am pleased to have listened to the contributions, because of the depth of knowledge shown in them and because Parliament is demanding a commitment from the Government to continue focusing on the matter and make it a priority for Africa.

Albert Owen: The Minister has been very keen to get other people doing extra work—the Select Committee, the envoy and others. Does he intend that after the debate, in the new climate, a Foreign Office statement should be made so that the campaigners who asked for the debate—we are honouring a pledge to them—can hear that the British Government stand in solidarity with them?

Mr Ellwood: I should be more than delighted. The hon. Gentleman’s comments are slightly disingenuous, as I was not trying simply to outsource work. I am going to go to Nigeria myself to see what I can do. I like to think that given my close relationship with my DFID counterpart I can again focus on this issue, which the United States is also keen to look at.

Mr Virendra Sharma: I hope that at this important time, with the visit next week, the Minister will be able to visit the group to show his solidarity and commitment.

Mr Ellwood: I have actually made that request already. We will already have fed that in and said that it is important that I get to meet the group, as the Committee did.

As for a statement, I shall look at the best timing. Rather than simply providing an update, which I think I have done, we need to confirm that there are new steps being taken. I have spoken about our desire to do something, and when that is articulated and formed a statement can be made to update the entire House. I agree that that would be a useful move.

I am grateful to the hon. Member for Liverpool, West Derby for obtaining the debate, and to all those who have supported it and made contributions. I have outlined our commitment to continuing to support Nigeria in its quest to defeat extremism.
this afternoon this message—that we want, as our badges say, to bring back our girls now. I look forward to a future debate in this Chamber or the House, where we can celebrate the return, and the reuniting with their families, of those girls who are still alive; I look forward to making that stride towards gender equality, and towards education for all children, but particularly for girls, in Nigeria.

Question put and agreed to.

Resolved,

That this House has considered the missing Chibok schoolgirls in Nigeria.

3.26 pm

Sitting adjourned.
Westminster Hall

Monday 12 September 2016

[Mr David Nuttall in the Chair]

Dog Meat (South Korea)

4.30 pm

Oliver Dowden (Hertsmere) (Con): I beg to move, That this House has considered e-petition 120702 relating to South Korea and the dog meat trade.

May I begin, Mr Nuttall, by thanking you for chairing this important debate, which I am introducing on behalf of the Petitions Committee? It has attracted a huge amount of support. More than 100,000 people have signed the petition, but I know that the interest goes much wider than those who have signed it. Already articles in papers such as the Daily Mirror have attracted a huge amount of interest and public reaction, so I know there is great concern about the topic.

I must admit that before I agreed to introduce the debate I had relatively little knowledge of the dog meat trade. We are all naturally repulsed by the idea, but I have been shocked and deeply concerned by some of the evidence that has been presented to me, and I thank the organisations that provided it, including the Humane Society International, the Royal Society for the Prevention of Cruelty to Animals and World Protection for Dogs and Cats in the Meat Trade, as well as other charitable organisations and groups that have come into contact with me.

Before I talk about some of the specific concerns about the trade, I will make a few general points. I lived in east Asia for some time and am acutely aware that we need to be sensitive to cultural differences. The fact that South Korea has been picked for inclusion in the motion is important to contextualise the points that have been made by the hon. Gentleman and by my right hon. Friend the Member for East Yorkshire (Sir Greg Knight), in relation to the countries in question.

It is certainly a more traditional belief that people should eat dog meat; even in countries where that is very prevalent, such as South Korea, it is very much a minority belief. Most younger people do not eat dog meat. Equally, there are strong campaign groups in the countries where it happens, which oppose it. The Governments of those countries have taken steps against it to varying degrees, although of course much more should be done.

I am also very much aware that we should not try to impose our own cultural standards unquestioningly. There are intense forms of industrial meat production in, for example, the pig industry, and if we are aware of that we should look to our own consciences; certainly some meat that we consume from other European countries is produced in pretty barbaric circumstances. I just wanted to give that overall context.

Mims Davies (Eastleigh) (Con): The Blue Cross is based in my constituency, and it stands up for our four-legged friends. I thoroughly enjoyed its rather wet and soggy inaugural waggy dog show on Saturday. Of course, cultural issues are important. This country has a proud record of caring for our waggy-tailed friends but we must try to speak to Governments where they are mistreated. There is a fine balance but we need to stand up on the issue.

Oliver Dowden: I completely agree with my hon. Friend. In relation to general animal welfare, this country can be very proud. We have led the European Union and the world in improving standards not only for domestic animals but for farm animals.

David Simpson (Upper Bann) (DUP): The hon. Gentleman will know about the UK horse meat trade scandal some time ago. The world is getting to be a smaller place, and what we do not want to happen is that somehow the meat gets smuggled into the UK and into the food chain, causing difficulties for commercial businesses.

Oliver Dowden: The hon. Gentleman is right on that point. There are two specific concerns: there are gaps in the supply chain that extend to the United Kingdom. That applies to meat coming into the UK, but it has also been suggested that greyhounds from Ireland may be raced in east Asia and enter the food chain in that way. There is also the general health concern about the consumption of dog meat. That brings me on to the three specific concerns that we need to consider in the debate.

Sir Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that one problem in trying to persuade people not to eat dog meat is the long-held view of many that it contains mythical health qualities, and that eating dog meat is somehow better for them? Does he agree, also, that it is sometimes difficult to persuade people that their long-held beliefs are no more than a load of old codswallop?

Oliver Dowden: It is absolutely right to highlight that long-held view about the properties of dog meat. That point is also relevant to some of the barbaric methods of slaughter.

Sir Alan Meale (Mansfield) (Lab): Everyone recognises that the trade is a cruel one, but surely the main problem—and the reason for highlighting South Korea—is that it is not simply a question of the tradition of eating dog meat; it is the scale. More than 5 million animals are killed every year, and nearly 3 million of those are farming on puppy farms for that explicit purpose. It is not surprising that people highlight the case of South Korea.

Oliver Dowden: I entirely accept the hon. Gentleman’s point about the scale of what happens in South Korea; I was merely making the point that the practice in question is also prevalent in other countries. For example, there are fairs for dog meat consumption in China. Indeed, it is important to contextualise the points that have been made by the hon. Gentleman and by my right hon. Friend the Member for East Yorkshire (Sir Greg Knight), in relation to the countries in question.

Mims Davies: Everyone recognises that the trade is cruel, but surely the main problem—and the reason for highlighting South Korea—is that it is not simply a question of the tradition of eating dog meat; it is the scale. More than 5 million animals are killed every year, and nearly 3 million of those are farming on puppy farms for that explicit purpose. It is not surprising that people highlight the case of South Korea.
The first concern is the welfare of the dogs as they are reared. The trade is completely unregulated. The farms—if one can call them that—are pretty horrific places. Dogs are usually kept in very small cages without any form of environmental enrichment, in many cases on solid floors where they cannot even stand. The evidence gathered by charities regularly includes a huge range of injuries, including untreated eye infections, skin diseases, prolapsed bowels and painfully swollen feet. Of course, when animals have absolutely no form of stimulation there is the problem of self-mutilation, whether that is cage pacing or head tilting, or other features of poorly looked after animals.

Allied to that is the method of slaughter, once they have been reared. As my right hon. Friend the Member for East Yorkshire mentioned, there is a terribly mishandled belief—this does not apply in all cases, but there is a lot of evidence for it—that somehow, if the animal has a lot of adrenalin pumping through it at the time of slaughter, that will add to the power of the meat or tenderise it before slaughter. That has in some cases encouraged terribly barbaric methods of slaughter. Examples include hanging, beating or in some cases even boiling the poor animals alive, all in the ridiculous belief that somehow that improves the quality. Surely anyone can agree that that is completely unacceptable.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on getting the debate. In an article last week—I think it was in the Daily Mirror—it was reported that, particularly in China, animals were being treated very badly and shaved in big pots to be boiled alive. That is utterly cruel, and surely the Government should be making representations on that.

Oliver Dowden: I completely agree with the hon. Gentleman, which is exactly why I am raising that in the debate. I hope the Minister will take note of that point and relay the strength of feeling in the United Kingdom, including from readers of the Daily Mirror, about those appalling practices.

Mr Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on his speech. He is making an extremely powerful case and is standing up for the petitioners extremely well. Is there any international veterinary evidence on the horrific methods of slaughter that he is beginning to outline, including from vets in those countries who are standing up and speaking out against the myths being perpetuated—that if animals die a cruel death, the meat is somehow tastier or better?

Oliver Dowden: My hon. Friend raises an important point that goes back to what I was saying earlier. I do not think those methods of slaughter are being in any way actively encouraged by the South Korean Government or other Governments. Indeed, they are contrary to all the evidence, but the fact is that this is being conducted on the basis not of evidence, but of prejudices and long-standing traditions, which are difficult to counter with an analytical approach.

My second big concern around this trade is that it does not just extend to animals that are purposely bred for it. Not only are stray animals being brought into the supply chain, but there is considerable evidence that pet dogs and cats brought up for domestic purposes are being stolen and finding themselves in the supply chain. We can all only imagine what it would be like if our own domestic animals found themselves in that state.

Equally, there are suggestions—although I must say the evidence on this is still being gathered—in relation to the greyhound racing industry, for example. It is alleged that when greyhounds are past their time in the United Kingdom, or particularly in Ireland, they go out to compete in east Asia, fail a couple of races and are then pushed off into the dog meat supply chain. Again, that needs to be urgently investigated, both by our Government and by those in the countries where it is alleged to have happened. South Korea is taking some steps on that but it remains a legal grey area. Without going into detail about the legislative proposals in this area, I should say that there is more that can be done to bring greater clarity that such practice is not acceptable.

My third concern is in relation to human health. We have already discussed the danger of dog meat entering the general supply chain, which is something the Department for Environment, Food and Rural Affairs should be very much aware of. Because it is an unregulated industry, there are no official guidelines, let alone oversight, to ensure that those meat products do not harm the health of consumers. The lack of evidence is worrying, particularly when the conditions on many dog farms are exceedingly unsanitary. There is a real danger of high levels of antimicrobial resistance because of excessive use of antibiotics and drugs on the dogs, often to counter the way in which they are kept in densely-filled areas with high levels of stress and high mortality rates. Equally, because the manner of slaughter is unregulated, there is a danger that disease enters the food chain from that.

What I am seeking from the Minister in his response is, first, an assurance that the Government take the issue seriously. It is easy for us to dismiss it as a problem in another country but, as members of the international community, we should be highlighting the concern and be encouraging the Government to press the case with the South Korean Government. I know we have very good bilateral relations with the South Korean Government. I ask the hon. Gentleman to include China in that list, because it was highlighted in the Daily Mirror.

Furthermore, through our strong relations with other countries, including the United States, Canada, Australia and New Zealand, I think the United Kingdom could have a role in highlighting this matter. As I said, this is a question not of accusing other countries, but of highlighting...
those concerns. I also think we can play a role domestically in the United Kingdom. We have a tremendous body of expertise and opinion in the form of the chief veterinary officer and his offices.

The United Kingdom could act as a lead advocate for building a global strategy. For example, we can use our contacts in the World Health Organisation and other organisations to fully research, quantify and publicise the concerns around the dog meat industry, in relation to antimicrobial resistance, for example, and to the point raised by my right hon. Friend the Member for East Yorkshire about dispelling some of the myths around some of the supposed virtues of the meat.

Angela Smith (Penistone and Stocksbridge) (Lab): Does the hon. Gentleman agree that it is incredibly important during the forthcoming period of negotiations around Brexit that the UK takes a firm position on maintaining the highest possible animal welfare standards when it comes to how we implement laws on animal welfare—not just for companion animals, but for livestock more generally? Otherwise, the messages we are trying to send internationally will be totally undermined.

Oliver Dowden: I completely agree with the hon. Lady. As she says, the United Kingdom is a leader in animal welfare standards, not just for domestic animals but for farm animals. I take a slightly less negative view of the opportunities of Brexit. Of course there is a danger that we go for the lowest common denominator in trade deals but, equally, there are opportunities. For example, in the United Kingdom at the moment we cannot discriminate against the very poor welfare standards we see in some European countries—all we have managed to do is increase the base level a little. In fact, we will now have the opportunity to impose higher welfare standards on all meat imported into this country. I hope very much that the Government will seize that opportunity as part of those Brexit negotiations.

Lady Hermon (North Down) (Ind): I have received a large number of emails from constituents on this. People in Northern Ireland feel very passionately and care very deeply about their dogs and other pets, and the standards of animal welfare in Northern Ireland are generally very high. Given that this is a devolved matter for the Northern Ireland Executive and Assembly, and in the light of the fact that Invest Northern Ireland has sent trade delegations to South Korea since 2010, will the hon. Gentleman encourage the Minister to liaise very closely with the devolved Administrations, including the Northern Ireland Executive, so that this is a joint effort?

Oliver Dowden: The hon. Lady makes an important point. First, she is absolutely right about the scale of the interest in this matter. I have received a large amount of correspondence on it and it is clear that people are very worried. Secondly, she is absolutely right to say that, as part of drawing on different relations that the Westminster Government have, we should be building on relationships with Scotland, Wales and Northern Ireland to further advance this case.

I am conscious that many Members would like to speak in the debate, so I conclude by urging the Minister to take note of the scale of public opinion and to use the many and considerable offices the United Kingdom has to continue to press this case, in a spirit of friendship and co-operation. Even in the countries involved, most people know that this trade is not acceptable and share our abhorrence for it.

4.49 pm

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to serve under your chairmanship, Mr Nuttall. I thank the hon. Member for Hertsmere (Oliver Dowden) for introducing this debate. I am also pleased to see the Foreign Office Minister and the shadow Minister, my hon. Friend the Member for Hornsey and Wood Green (Catherine West), in their places.

I was the shadow Foreign Office Minister covering this part of the world for four years, until about a year ago. I also had the human rights brief. The ongoing frustration is that it is always so difficult to get people to listen to arguments about human rights issues in our relationships with other countries, let alone get them to consider the animal welfare issues. I was rather disappointed when I asked a question last Thursday of the new Secretary of State for International Trade and President of the Board of Trade, the right hon. Member for North Somerset (Dr Fox), about the Government’s action plan on business and human rights that was launched with much fanfare three years ago. I asked where the action plan fits into the new Department for International Trade—when going out to other countries to negotiate trade agreements, will we be aware of the attempt by the former Foreign Secretary, William Hague, to meld the desire to trade with companies and to talk about human rights? The answer I got was pretty much, “That’s a completely separate issue. It’s something for the Foreign Office and nothing to do with us.”

If we cannot even persuade that Department that human rights should be on the agenda when we are negotiating trade agreements, we will have difficulty making the argument that animal welfare should be on there too. I hope that the Foreign Office Minister takes that back to his colleagues and starts talking to the new Ministers in the Department for International Trade about the importance of this issue and the strength of feeling about it.

I had the pleasure of visiting South Korea a few years ago with the UK-Korea Forum for the Future. Every two years, some UK parliamentarians go out to South Korea, and every other year, people from the South Korean Parliament come over here. South Korea is not only a major trading ally of the UK; it is also our friend, but that should not stop us at times being a critical friend. It is interesting to note in the Library briefing that the consumption of dog meat in South Korea did not become commonplace until the Korean war in the 1950s. It is easy to forget what an incredibly poor country South Korea was back then, lagging well behind its neighbour to the north. Of course, now the situation has been reversed, and we hear reports that Kim Jong-un’s people are on the verge of starvation. Obviously, the human rights situation is dreadful there too.

One of the fascinating things about my visit to South Korea was seeing how the country had transformed itself from abject post-war poverty into an economic export-led powerhouse, albeit not always under the most democratic leadership. Seoul now presents as a very modern, high-tech city, with gleaming skyscrapers...
and excellent transport, but as we have heard, some of the old ways remain, including the dog meat trade. As my hon. Friend the Member for Mansfield (Sir Alan Meale) mentioned, 5 million dogs are involved in the trade every year. I have seen figures that show that more than 2 million dogs are factory farmed in South Korea for human consumption. They are kept in terrible conditions in tiny cages, exposed to extreme heat and cold, before being cruelly killed, often via electrocution.

Sir Alan Meale: In terms of the two figures I referred to, one is the overall figure for the whole country, but my hon. Friend is right; 2.5 million to 3 million puppies are factory farmed for the trade.

Kerry McCarthy: I thank my hon. Friend for that clarification.

The fact that the petition so easily reached 100,000 signatures, and the number of emails Members have received from constituents, remind us that Britain is a nation of dog lovers, as we saw in the public response to other campaigns, such as Pup Aid’s campaign against puppy farms. That serves as a reminder that we ourselves are not above criticism and that much can be done to improve animal welfare in this country.

In the past, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Suffolk Coastal (Dr Coffey), has told me that the UK has the best record on animal welfare of any country in the world. After our last exchange, she sent me some evidence in support of that. Whether we are the best is a moot point, but we are clearly better than most. However, we still regularly see terrible footage of conditions in some slaughterhouses and factory farms here, with millions of birds shot in the name of sport and some truly appalling cases of ill treatment of pets. We discussed the cruelty of snares in the main Chamber just before the summer recess.

I am pleased to have been asked by my hon. Friend the Member for Redcar (Anna Turley) to sponsor her ten-minute rule Bill calling for tougher sentences for animal cruelty, following the dreadful case of the Frankish brothers in her constituency, who filmed themselves torturing their bulldog by throwing her down the stairs, stamping on her head, swinging her around and headbutting her. We certainly should not be too complacent or congratulate ourselves too much about conditions here in the UK. Today is about making the case against the dog meat trade in South Korea, which is the only country in the world to intensively farm dogs for food. As petitioners have told us, there is a good chance of making progress with the South Korean Government on this issue, not least because the eyes of the world will be on South Korea in the run-up to the winter Olympics.

It was interesting to read in the Library briefing the article by Jill Robinson, the founder and CEO of Animals Asia, which has long campaigned on these issues and says that because the laws in South Korea are stronger than in countries such as China, there is less criminality in the dog meat trade, with fewer dogs mysteriously disappearing from the streets. I pay tribute to my hon. Friend the Member for Stoke-on-Trent South (Robert Flello) for the speech he made in last year’s Backbench Business debate on the wider dog meat trade in countries such as China, in which he outlined in distressing detail the immense cruelty and suffering involved in the theft, transportation, caging and slaughter of millions of dogs each year.

The Yulin dog meat festival is a particularly hideous example of that. Animals Asia has said there is less criminality in South Korea, but Jill Robinson argues that in fact means there is more cruelty, because there is no way to make dog farming profitable without cutting every corner imaginable. She says that Hong Kong, Taiwan, Singapore, Thailand and the Philippines have made dog meat eating illegal, largely because there is no humane way to breed dogs for meat.

In last year’s debate, my former colleague in the shadow DEFRA team, my hon. Friend the Member for Stockton North (Alex Cunningham), said:

“Although the Korea Food and Drug Administration recognises all edible products as food, other than drugs, Seoul has passed a regulation classifying dog meat as a ‘repugnant food’. However, as in other parts of the world, such regulatory oversight has not been effective in curbing the demand for dog meat.”—[Official Report, 5 November 2015; Vol. 601, c. 1223.]

There is a law in place in South Korea—the Animal Protection Amendment Act 2007—which prohibits some of the cruel methods used to slaughter dogs, but it is widely ignored, as we have heard. According to charities involved in campaigning on this issue, many South Koreans believe that the more a dog suffers before it dies, the better the meat will taste, as adrenaline in the system makes the meat taste better. Dogs are therefore often subjected to cruelty before being slaughtered.

There is an issue of enforcing the current law as well as making the case for stronger laws and, indeed, trying to outlaw the dog trade altogether.

It is encouraging to hear that cultural attitudes in South Korea are changing and that many more people are speaking out. There is always a danger of being seen to preach to other countries where the cultural norms do not coincide with the practices in this country, and it is best if change can be encouraged to come from within. Some might argue that we are guilty of sentimentality, double standards or hypocrisy in condemning the dog meat trade when so many other animals are killed for food every day around the world, with many kept and killed in equally cruel conditions.

Some of us are of the school of thought that says, “Why eat a cow or a pig if you wouldn’t eat a dog or a cat?” We saw that in the horse meat scandal, when consumers here were appalled to learn that they might be eating horse when they thought they were eating beef or lamb. Of course consumers have the right to know what they are eating and to choose whether that is an animal they wish to eat. I make the point simply that we are discussing the dog meat trade, but there are many other debates to be had about slaughter conditions, the transportation of animals and other practices around the world that we do not focus on quite so much.

In last year’s debate, there was much discussion about the extent to which we should seek to impose our cultural norms on other countries. As the Government said in their written response to the petition, selling and eating dog meat is a legal and culturally normal practice in South Korea, as it is in a number of other countries. They went on to say:

“In the absence of international norms, laws or agreements governing the trade and consumption of cat and dog meat, the United Kingdom has no legal grounds to intervene or take trade measures against those countries”.
I accept that there are no legal grounds for intervening in the actual practice of eating cats and dogs, but I hope that the hon. Member for Hertsmere and I, as well as the many Members who will follow us, will make the case today that there are certainly moral and ethical grounds for intervening against the immense cruelty involved in the trade. I hope that the UK Government do not hide behind the reasoning they originally gave in response to the petition as an excuse for inaction. We should be doing all we can to continue to raise this issue during our bilateral discussions and to support activists in South Korea who seek to outlaw this terrible trade.

5 pm

**Margaret Ferrier (Rutherglen and Hamilton West) (SNP):** It is an honour to serve under your chairmanship, Mr Nuttall. I would like to thank the members of the public who created the petition and the 102,131 who signed it. They are responsible for securing this important debate and I thank the hon. Member for Hertsmere (Oliver Dowden) for leading it.

Like many hon. Members, I received many emails from constituents asking me to attend this debate. Animal welfare is something both they and I care deeply about. I have contributed to several debates in this place on the treatment and wellbeing of dogs, but none was quite so difficult to prepare for as this one. Despite a conscious effort to look at the trade impartially and to be aware of any cultural bias I might have, it was difficult to read about, look at photographs of and watch videos about the subject. It is clear that dogs are being treated appallingly and most if not all of us condemn that very strongly. I and other Scottish National party Members encourage a cautious and culturally sensitive approach to effect change in South Korea—an approach that supports animal rights groups in that country that are already working to bring an end to the dog meat trade.

The Scottish Government take animal welfare issues incredibly seriously and continue to lead the way in both protection and promotion of animal rights. Just last week, the British Veterinary Association commended the Scottish Government for including the Wild Animals in Circuses Bill in its programme. My desire is that others will follow this example and take similar action in other parts of the UK and Northern Ireland.

I hope the UK Government are truly committed to both protection and promotion of animal rights, but recent attempts to reintroduce foxhunting have cast doubt on that. Fortunately, due to the SNP's support for the continuation of the ban, the UK Government decided to drop the planned vote on the issue. The SNP will continue to fight effectively in both Scotland and here in Westminster for animal rights.

I welcome the UK Government’s response to the petition, and I hope their apparent sincerity is backed by continued action. I welcome the fact that the British embassy in Seoul has raised the issue of cruelty towards animals on many occasions with the South Korean authorities and I hope it continues to do so at every appropriate opportunity.

In the run-up to the winter Olympics in 2018, it is vital that this important issue is not allowed to be ignored and that the trade is not simply hidden from sight. In an attempt to avoid criticism, the South Korean Government hid all dog meat restaurants from the sight of international media during the 1988 Seoul Olympics. The dog meat industry in the Republic of Korea is still thriving today, almost 30 years later. It is important that, three decades on, the authorities are not allowed simply to adopt a policy of out of sight, out of mind. Reports that dogs are mistreated and abused in the dog meat trade are much too distressing to be ignored or concealed.

We must exercise caution in our approach to the cultural practices of other countries, but we have a duty to voiceless animals to try to bring about change. Charities have highlighted some of the terrible conditions in which 2 million dogs that are slaughtered for their meat every year are kept. Animal welfare groups have attested that some traditional beliefs encourage more torturous conditions for dogs, such as the thinking that high adrenaline levels will produce tender meat.

Dogs are often confined in small wire cages until their slaughter, usually by electrocution. It is claimed that they are often transported improperly, in cramped conditions and without access to water. This cannot and must not be ignored. In addition to raising the issue with Korean authorities, I hope the UK Government promote effective implementation of existing laws in South Korea and encourage public awareness of the horrific conditions in which dogs are often kept for the meat trade?

It is promising that the dog meat trade seems to be decreasing in popularity, which the UK Government acknowledged in their response to the petition. There is no doubt that this seems to be a generational issue and that attitudes are changing. Younger South Koreans seem to be moving away from dog meat, which is encouraging, but that is not reason enough to ignore the ongoing problem and wait for it to disappear. If this is a generational shift and not much else is done, Members could be debating the same issue in this place in another 30 years. I do not want to be one of the people doing that.

5.4 pm

**Jim Shannon (Strangford) (DUP):** It is a pleasure to speak in this debate. I congratulate the hon. Member for Hertsmere (Oliver Dowden) on introducing it and on setting the scene so well. I will focus on South Korea and what I believe is its responsibility, maybe not to respond directly to this debate, but to take on board the views of those of us in the Chamber.

This issue has flooded my inbox, as it has those of other hon. Members, so it was important that I came along to make a contribution to this afternoon’s debate and to represent all those who took the time to email me, write to me or phone me about this emotive issue.

As the hon. Member for Hertsmere said, South Korea will host the winter Olympics in 2018, so we must ensure that this debate is heard in South Korea. It is not a matter of hiding what they do; it is a matter of stopping what they do. That is what we are aiming to achieve. We have been thrilled by the results of team GB, particularly those of the Paralympics team and our own young Bethany Firth, who took a gold in swimming, having trained at the local swimming pool not five minutes from my office. The buzz surrounding the build-up to the Olympics and the events are great for national pride and we take pleasure in seeing our teams do well on a world stage. This is what the Olympics are all about, and to have them tainted by concern about the host nation can never be good. We must focus on the 2018 winter Olympics and where they will be held. That nation must also respond.
I remember the shock in my history classes of seeing Nazi Germany hosting the 1936 Olympics, using it as a forum for its propaganda and political games. I was horrified and hoped the world had learned a lesson. Politics and sport must not mix, and although we have never repeated the mistakes of that Olympics, I have been worried on a few occasions.

I raised concern in this House about the Beijing Olympics, the human rights concerns that many of us in the House have, and the importance of a forum for dialogue. I do the same this afternoon, but on a different issue. I am not asking for us to wield an influence that we do not have, because we cannot make South Korea stop what it is doing, but we can use this debate as an opportunity to highlight issues and perhaps play a small part in bringing about change. One of those issues and the reason we are here is the petition of 102,000 signatures, many from Northern Ireland. Some were from my constituents who expressed horror that an estimated 2 million to 3 million dogs suffer indescribably in South Korea, the only country that officially farms dogs for their meat each and every year.

Although the dog meat trade exists across Asia, South Korea is the only country in which that trade is sustained via intensive dog-breeding farms, both large and small, as opposed to stolen or otherwise captured dogs in China, Vietnam, Laos and elsewhere. Many of us, including my right hon. Friend the Member for Belfast North (Mr Dodds) and my hon. Friend the Member for Belfast East (Gavin Robinson), have spoken clearly on the two issues. I commend them for that, because they have been at the forefront back home of ensuring that the issues are highlighted.

It is estimated that 2.5 million to 3 million dogs were slaughtered for human consumption in South Korea in 2014, having been bred and raised on more than 17,000 farms there, ranging in size from backyard operations with 20 or so dogs to large industrialised farms with thousands of dogs throughout the peninsula. I have been told by the Humane Society International that dog meat is sold in markets and restaurants as boshintang, a peppery soup that is believed by some to be invigorating—something to which the hon. Member for Hertsmere referred—or as a tonic in traditional health shops. There seems to be a misconception that dog meat can do those things. No, it cannot, and those who believe it can are certainly not thinking logically.

The industry is largely seasonal, with dog meat particularly popular during the summer months over the Boknal days of July and August, when 70% to 80% of the dog meat is consumed, even by those who never eat it at any other time of year. There is a tradition in South Korea of dog meat consumption at certain times of the year. Many farmers will have their dogs slaughtered just before Boknal, when they will fetch the highest prices, meaning that the collective suffering of as many as 3 million dogs every year is focused mainly, but not exclusively, on supplying demand for a soup consumed in just one month of the year.

Although the vast majority of Koreans do not routinely eat dog meat and surveys show that it is least likely to be eaten by younger Koreans, the “right” of others to eat it is still defended by a majority. Despite the growing opposition, the value of the dog meat industry was estimated at £1.02 billion in 2015 and it provides employment for some 32,000 farm and restaurant workers. HSI’s strategic approach in South Korea takes on board that context and it actively engages in partnerships with dog farmers to demonstrate that a negotiated, state-sponsored phase-out of the industry is both feasible and desirable for both dogs and farmers. There are some people in South Korea with ability and in positions of power who are willing to see change. There is a feeling that more politicians are open to discussing the cruelty-to-animals aspect. During the past year, a growing number of South Korean politicians have been reflecting increasing public concern within their own country and outside it as well.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alok Sharma) indicated assent.

Jim Shannon: I see the Minister nodding. What I have described will probably become apparent in his response as well. A growing number of South Korean politicians are also committing to efforts to provide better protection for animals, including dogs, so some of the work that this Government and others in the western world are doing to address this issue is starting to have an effect, and perhaps we can look forward to the stopping of the eating of dogs as food.

Let me give an example. Membership of the South Korean National Assembly animal welfare forum, which I suppose is like an all-party parliamentary group here and which was formed voluntarily by Assembly Members, has risen from 31 members in May 2016 to 51 in September. That has happened in just that short period—almost the time it took for this debate to be thought about and brought to this House for consideration. The number of members now equates to one sixth of the total Assembly. That is evidence of a change of heart among some in South Korea and certainly among those in the Assembly and political positions. That is where change starts, because they will lead the people. Many times we have to do that: we have to lead the people in certain things that we do. We have to give leadership when it comes to change that will be beneficial for everyone. The Democratic Unionist party gave leadership to Northern Ireland when it came to moving forward in the political process, and the people were prepared to accept that leadership as well.

The softening towards change in South Korea should be capitalised on. We need to see how we can help to support those South Koreans who feel that this practice must change. Let us work with those who want change in South Korea and let us make it happen. It is out of our power to demand anything, but I believe that the sensitive and cautious way in which this Government have approached the issue means that we can offer assistance and positively reinforce how that change will help the way others view what is a beautiful country that has so much to offer. We must use all opportunities to encourage our allies to offer the same support to those who believe that change is possible. We can make a change using the methods that we have been using so far. I believe that we can continue to do that. I look forward to the response from the shadow Minister, the hon. Member for Hornsey and Wood Green (Catherine West), and in particular from the Minister. Perhaps he
will indicate some of the changes that are taking place. If someone’s mind is open to change, change can happen. We want to try to ensure that the minds of those in South Korea are open to change. Let us constructively, effectively and positively make that change.

5.14 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): As always, it is a pleasure to serve under your chairship, Mr Nuttall. I congratulate the hon. Member for Hertsmere (Oliver Dowden) on securing the debate, which has generated considerable interest in my constituency, especially from constituents who are rightly concerned about the mistreatment of animals not only in the UK but across the globe. I am grateful to my constituents for contacting me.

I am pleased to speak in the debate, as this issue is of interest to many people in my community and is close to my heart, given that I am buddy and best pal to two whippets. The hon. Gentleman mentioned greyhounds. Along with greyhounds, whippets and lurchers are most likely to end up in the food chain in later life, given that they are involved in careers such as dog racing, official and unofficial, and coursing, and once they are at the end of their careers, they are seen as surplus to requirements.

Like most people across the UK and in the Chamber, I find that the idea of any harm coming to or cruelty being done to my dogs, or animals in general, fills me with dismay. However, it would be naïve of us to think that animal cruelty does not take place. We must acknowledge that there are people out there who seek pleasure from inflicting pain on defenceless animals. Sadly, stories of animal mistreatment are widespread across the news outlets. In most cases, they are highlighted by charities and volunteers, especially those based in places such as South Korea but also in other nations across the world, to bring the issue to the attention of the wider public—something that they are very successful at doing and must be thanked for and congratulated on.

I welcome the action taken by the UK Government and the Scottish Government to combat animal cruelty within these borders, which sadly needs to be constantly acted on, although I believe that we are winning this particular battle by educating the population on the complete unacceptability and illegality of animal cruelty. Like so many issues, animal cruelty and mistreatment crosses national borders, sometimes literally with the transportation of animals that are travelling in terrible conditions between countries, which brings me on to the dog meat trade—specifically, for this debate, in South Korea.

For most people, especially in the UK, the idea of dog meat being eaten by humans goes against the grain, as dogs are very much part of family life and have been for millennia. However, the practice of eating dog meat is culturally acceptable in a number of countries across the world and therefore, as many hon. Members have said, we must be very cautious and sensitive when dealing with the matter in order to achieve a positive outcome.

I will enter a caveat, though. It is worth stating that all cultures change and evolve. We do not seek to force our cultural perceptions of eating dog meat on the people of South Korea and other nations, as that would potentially make matters worse and undo the important work that has been carried out by animal charities in South Korea. That work has led to the South Korean Government introducing legislation and regulation in relation to the methods used by those involved in the dog meat trade, in an attempt to counter the bad practices associated with it.

The actions of the South Korean Government, specifically in relation to this debate, are a step in the right direction, but animal rights groups argue that the regulations have had very little impact in terms of stopping the trade altogether, so great challenges still lie ahead in bringing about comprehensive change. It must be noted, however, that the practice is falling out of favour with the younger generation. As the hon. Member for Bristol East (Kerry McCarthy) said, it did not really come to prevalence until the Korean war, so the link between conflict and poverty and the need to eat meat is clear.

The UK Government have an important and vital role to play, particularly through the education of people on the arguments about human health and animal welfare, as those are the best ways to get communities and societies to change. Only by working together with the Government, people and animal rights charities in South Korea can any change be brought about. We cannot and must not force them to follow our path, but we can certainly offer them our full support and encouragement.

The dog meat trade is an extremely important animal welfare issue, and I am proud that the Scottish National party and our Government in Edinburgh are committed to supporting charities working with international counterparts to promote and protect animal rights globally. I am sure that the UK Government will take this issue seriously and, as highlighted by the hon. Member for North Down (Lady Hermon), work with all devolved Governments in promoting animal welfare with our global partners.

5.19 pm

Gavin Robinson (Belfast East) (DUP): Given that we are within the first hour of the debate it is appropriate to thank you, Mr Nuttall, for calling me so early in this session. I have enjoyed every contribution that has been made. In particular, the hon. Member for Hertsmere (Oliver Dowden) had a difficult task in not only presenting his views but doing justice to the petition. That is not something he wrote, but it is appropriate we consider it here this afternoon. I do not disagree with a word said by any of the contributors thus far and because of that I want to build on the contributions that have been made about the soft power that we as a country and the Foreign and Commonwealth Office should be using to, if not coerce, certainly concentrate the minds of those who can make a change in South Korea to what, we all accept, is a horrendous situation.

It was great to get the Library briefing, which is incredibly detailed and starkly paints the difficulties that we face. This is a $2 billion a year industry in South Korea. It is not just a few restaurants that need to be hidden from public view when people visit for the winter Olympics in two years’ time; there are 20,000 of them in South Korea. There are 9,000 health food stores selling the tonics that my hon. Friend the Member for Strangford (Jim Shannon) referred to. This is a massive part of the local economy in South Korea. I am
Gavin Robinson: I am grateful to my right hon. Friend for that contribution. The hon. Member for Bristol East (Kerry McCarthy) made reference to the Yulin dog meat festival, which has been considered in Westminster Hall and in the main Chamber. I was pleased to join her colleague, the hon. Member for Stoke-on-Trent South (Robert Flello), when we presented a petition to the Chinese embassy in London. They did not open the door, but I have no doubt we will be back next year. My right hon. Friend’s point is incredibly important: we cannot focus on this just because of the winter Olympics and the opportunity in the next two years to shine a spotlight on the dog meat industry in South Korea. It is our job to make sure that the focus does not wither.

Building on the comments that have been made about some of the local issues we face on animal cruelty and animal welfare, it is important to recognise that from my own constituency’s perspective, we do not have our sorrows to seek. Individuals are convicted for dog fighting and for stealing domestic cats in order to train their dogs to be involved in the dog fighting industry. I received an email today—I will have to look at it in more detail—that suggests that permission has been given for a beagle farm in Hull for 2,000 dogs to be bred per year for the pharmaceutical and cosmetic industries. I do not know enough about that, and I am not sure I am in a position to consider criticising it at this stage because I recognise the necessity, but it is incumbent on us all to recognise that it is not just outwith this country that there are welfare issues.

Kerry McCarthy: On that particular point, it is particularly disappointing that, as I understand it, the local council opposed the setting up of the beagle farm for toxicity tests on dogs; the former Secretary of State for Communities and Local Government, the right hon. Member for Brentwood and Ongar (Sir Eric Pickles), also rejected it; and it was only when there was a change of incumbent in that post that it was allowed. It is really disappointing that it has been allowed. The two leading lights of the campaign against it are Stanley Johnson and Professor Michael Balls—both of whom have sons who have been Members of this place. They are formidable campaigning’s, and I hope that we can eventually overturn it.

Gavin Robinson: I am grateful for that additional information, although I am sure that if I proceed with the issue you will remind me it is ancillary to the debate at hand, Mr Nuttall. The broader point is that on animal welfare—issues that not only motivate us, but create a really passionate response from our constituents and have encouraged more than 100,000 people to sign the petition—we cannot lose sight of those easy wins or important goals that we should be seeking to secure at home as well as abroad. With that, I am grateful for the opportunity to contribute to the debate and I look forward to the responses by those on the Front Benches.

5.27 pm

Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): I congratulate the hon. Member for Hertsmere (Oliver Dowden) on leading this debate so effectively, and also congratulate other Members on contributing in a very positive and intelligent manner.
E-petition 120702 has attracted over 100,000 signatures—many from Scotland—and I feel that reflects widespread concern across the nations of the UK about animal welfare generally, and the welfare of dogs in particular. Today we have heard alarming and upsetting reports of dogs being mistreated and abused in the dog meat trade; however, we must be cautious in our approach towards other countries’ cultural practices and be sensitive in working to bring about change, as noted by my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier). This is particularly the case given the prevalence of animal crimes such as dog fighting in the UK. It is clearly important that we recognise our own weaknesses and respect the sovereignty of other nations. Again, I am grateful to my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) for making that point so clearly, along with the hon. Member for Belfast East (Gavin Robinson).

Many Asian countries have only relatively recently begun to consider dogs as pets and so the animals are viewed very differently from the way they are viewed in the west. The reverse is also true. Some Asian countries consider cattle and pigs in very sacred terms and view our slaughter and consumption of those species as completely unacceptable. I hope that highlights the extent to which we must be mindful of other nations’ rights and cultural practices. Again, that point was well made by the hon. Member for Bristol East (Kerry McCarthy).

The SNP Government in Scotland take the welfare of animals very seriously and have led the way in protecting and promoting animal rights. I wish that approach to be sustained. In that context, my colleagues and I in the Scottish National party strongly condemn the abuse and inhumane treatment of all animals, including dogs, within the dog meat trade. We encourage a cautious and culturally sensitive approach to bringing about change that supports animal rights groups in South Korea, and indeed, in other countries. Some progress is being made in that regard, with a growing political movement in South Korea championing animal rights. We should encourage that movement, as I think we all agree.

E-petition 120702, which relates specifically to South Korea and the dog meat trade, seeks to urge the South Korean Government to end the unsympathetic and often brutal treatment of dogs. We know that in South Korea an estimated 5 million dogs are slaughtered every year for their meat and we understand that during the 1988 Seoul Olympics, the South Korean Government attempted to hide dog meat restaurants from the international media to avoid criticism. That act implies, of course, both an awareness of the dog meat industry in South Korea and, perhaps more importantly, an understanding by South Korea of how that trade is perceived by the outside world.

Thirty years later, many of us here today are concerned that the International Olympic Committee has authorised South Korea to hold the 2018 winter Olympics, given that the use and abuse of dogs remains the same, if perhaps not worse, as the hon. Member for Strangford (Jim Shannon) suggested. On behalf of the Scottish National Party, I ask the UK Government to speak against the IOC’s judgment and ask the South Korean Government to respond to the dog meat issues identified here today, with a view to making the abuse of dogs in this trade illegal.

I alluded earlier to the fact that South Korea is not alone in allowing the breeding and slaughter of dogs for human consumption. As we have heard, the World Dog Alliance has produced an important analysis of this lucrative trade across Asia. Sadly, the trade is common across Asia, with countries such as China, the Philippines and Vietnam, in addition to South Korea, considering it culturally acceptable to varying degrees to eat dog meat. Many will be surprised, however, to learn that dog meat is also consumed in Switzerland, Mexico, the Arctic and the Antarctic, despite most western cultures considering the slaughter of dogs for meat unacceptable.

What is perhaps important here is the condition in which dogs are often kept prior to being slaughtered for human consumption. Some argue that dogs are often tortured before being killed because of a belief that it causes their meat to be tender. There are also concerns that most so-called “meat dogs” are stolen companion dogs and strays who are kept in terrible conditions while being transported from country to country. There are distressing accounts that reflect practices that are inconsistent with the Korea Food and Drug Administration’s regulations classifying dog meat as a “repugnant” food.

I am also pleased that South Korea’s Animal Protection Amendment Act 2007 expressly prohibits some cruel methods used by people in the dog meat trade to handle and slaughter dogs. However, animal rights groups have found that the regulations have had little impact to date on the trade in dog meat. Perhaps more promisingly, animal rights groups have pointed out that the consumption of dog meat is going out of favour with younger generations. Again, that should be encouraged.

Given that there are no international laws prohibiting the consumption of dog meat, the challenge for the UK Government is not one of intervening or implementing trade measures against countries where the consumption of dog meat is regarded as culturally acceptable, it is one of diplomacy—and for the UK Government to instruct ambassadors and Foreign Office officials to raise the issues highlighted here today with the Governments of China, the Philippines, Vietnam, Switzerland, Mexico, South Korea and others.

Alex Chalk (Cheltenham) (Con): Does the hon. Gentleman agree that for those approaches to be successful, they have to be handled extremely sensitively to avoid them being counter-productive? If they are handled sensitively, that gives us the best chance of achieving the progress we all want to see.

Dr Monaghan: I absolutely agree with the hon. Gentleman. Clearly, if we are to have an impact and an influence on other nations that are trading in dog meat and allowing its consumption, we have to do so very sensitively, in ways that are culturally sensitive and reflective of our practices here in the UK.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): Does my hon. Friend agree that despite the apparent desperation of the UK Government regarding the potential trade ramifications of Brexit, that should be no rationale for failing to put pressure on countries that engage in animal welfare and cruelty issues, as is the case with South Korea and the dog meat trade?
Dr Monaghan: I absolutely agree with my hon. Friend. There is nothing to say that Brexit and our attempt to influence the practices of other nations cannot occur in parallel.

In doing all that, the UK Government must reflect the interests and concerns of all those who have signed this petition and advance those interests in a sensitive and supportive manner, as I said, to bring about an end to the abuse of dogs farmed or stolen for human consumption. The UK Government should also provide diplomatic support for animal rights groups that are operational in South Korea and support their valuable work in taking action in a culturally sensitive and educational manner.

In response to this petition, the UK Government have stated:

“The British Embassy in Seoul has raised the issue of cruelty towards animals on numerous occasions with the South Korean authorities and explained that the UK public and parliamentarians would like to see Korean regulation that would bring the practice to an end. We will continue to seek further opportunities to raise the issue, in particular as we approach the Winter Olympics in 2018, and will monitor developments in the practice in the Republic of Korea.”

In the absence of international norms, laws or agreements governing the trade and consumption of meat, the Scottish National party believes that it is necessary to work with Governments around the world to build consensus on animal welfare standards and to phase out cruel and inhumane farming.

The trend in South Korea is such that dog meat consumption seems likely to diminish and perhaps even end due to the growing public awareness and recognition of animal rights and the health risks associated with eating dog meat. Dogs are known to be intelligent, trusting and empathetic and possess a range of senses of such acuity that we have only just begun to identify and fully understand them.

Dogs are one of the few animals capable of following a human’s gaze, implying an awareness of “other”. Those attributes arguably differentiate dogs from other animals, and certainly other animals that are normally farmed. We ask the Government to take affirmative action, to listen and to hasten an end to the consumption of dog meat in South Korea. The Scottish National party will support that diplomatic mission.

5.38 pm

Catherine West (Hornsey and Wood Green) (Lab): It is a pleasure to serve under your chairmanship, Mr Nuttall. A number of excellent contributions have been made today, and as ever with many of these Westminster Hall debates, there has been a great deal of consensus across the Chamber.

With over 100,000 individuals signing the petition relating to animal cruelty and dogs, in particular, in South Korea, it has evidently sparked a lot of interest among our constituents, so it is very pleasing to be able to speak in the debate on behalf of Labour and to challenge the Minister to do all he can to put this issue on the record personally and through his offices in the Foreign Office. We have heard a number of excellent contributions, not least from the hon. Member for Hertsmere (Oliver Dowden) who set the debate off and particularly underlined the fact that the 2018 winter Olympics gives us a good opportunity to talk about this issue and our constituents’ concerns about the cruelty of the animal trade.

Several concerns persist about the use of dogs for meat. In particular, many of the dogs are kept in terrible conditions, including in a system similar to that of battery chickens in which dogs are tightly confined in metal cages and subject to long periods in the hot sun of Korean summers and the freezing cold of winters without the ability to move freely around.

The way in which dogs are bred remains an issue in the UK but it is of far greater concern in South Korea given that there is less government regulation there. We have read many briefings about deformed legs and tails and health conditions. Those issues are rightly of great concern to leading charities, constituents and campaigners. Tragic incidents of dogs being fed on other dogs have come to light through briefings. Has the Minister raised those issues with Minister Yun Byung-se?

Tackling the issue must go beyond pressing for legislative reforms. This afternoon, we have heard about some cultural changes, which are very welcome indeed. The fact that many of the older generation are partaking less in the tradition of eating the product and that younger people tend to have chicken soup rather than dog stew is probably a positive culinary development. I am pleased that the Minister and his officers are prepared to tackle some of the cultural norms, and we must not be afraid of doing so. The practice of having a pet is now becoming common in Asia, which is perhaps leading to a greater understanding of the inappropriateness of the treatment of many poor animals.

I will draw briefly on some highlights of the debate. I was interested to hear the reflections of the hon. Member for Belfast East (Gavin Robinson). The past week has shown that there are, indeed, massive political issues in the Korean peninsula, and it would be remiss of us not to mention that. I have every sympathy for the Minister in organising his priorities when he next meets with Korean colleagues and his opposite number.

My hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) made a salient point about the European Union, hoping that our own regulation will not go backwards. Indeed, the Scottish National party spokesperson, the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan), mentioned that the UK has a wealth of experience because of our traditions and our relationship with the EU. We hope that we do not go backwards in the post-Brexit confusion that we seem to be in, but that we continue to hold those standards as high as we possibly can.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) mentioned foxhunting. I am sure that South Korean campaigners feel strongly about that, and they are quite right to raise the issue of such practices in some of our rural and countryside areas.

My hon. Friend the Member for Bristol East (Kerry McCarthy) has spoken eloquently not just today, but in previous debates, about best practice in animal husbandry. She has a great track record of interest in and love of animal welfare, and extols the virtue of having rights. She was quite right to hark back to the golden era of Lord Hague, when human rights and such issues were higher up the agenda. At that time, we enjoyed having a sense of
peace of mind that such issues were being raised at the highest level. The feeling now is that when Foreign Office Ministers meet with their counterparts abroad, the approach not just to human rights, but to animal welfare, is different. However, I would be happy to be disabused of that notion if the Minister chooses to have that debate.

My hon. Friend the Member for Bristol East was right to mention that other parts of Asia, including Singapore and other countries, have outlawed dog meat. Will the Minister comment not just on the cultural change, but on the change happening in the region?

My hon. Friend the Member for Mansfield (Sir Alan Meale) made a good point about making a stand and ensuring that, as Members of Parliament, we tell our Government what we would like on the list of priorities and the agenda when the Minister meets with his counterpart in South Korea.

Mr Andrew Smith (Oxford East) (Lab): I am grateful for this late and welcome opportunity to support my hon. Friend’s points and to join all those who want the maximum pressure exerted to stop these appalling practices.

Catherine West: We are all aware of the high-profile debate about grammar schools in the Chamber now, which is perhaps why there are not as many hon. Members in Westminster Hall. Nevertheless, we have representation from almost every party, which is great.

Lady Hermon: A number of hon. Members referred to the abysmal trade in greyhounds being exported and cruelly consumed in South Korea. Greyhounds are very intelligent animals. They also have a high haemoglobin count and are one of the few types of dog that can give another dog a blood transfusion. Therefore, will the hon. Lady take the opportunity to say something about what her party, as a united party on this issue, might do to ensure that greyhounds are not exported through Europe or elsewhere, so that they are not consumed—which is a gristy business—in South Korea?

Catherine West: My hon. Friend the Member for Bristol East has a track record of raising that issue on a number of occasions and has been a champion for animal welfare. Certainly, we could raise the greyhound issue with the Government again. Perhaps we could even seek a further debate here so that we give campaigners every assurance that it is at the top of our animal welfare agenda.

Finally, there are questions that go beyond the specifics of dog meat. The UK has come a long way in improving practices to ensure that our meat industry has, as much as it can, a sense of health and safety, welfare requirements and systems for oversight and scrutiny. Depending on the level of detail into which the Minister gets with his colleagues in South Korea, perhaps we could do some best practice exchanges. Our universities and veterinary schools have excellence in research and development. Are there some R and D exchanges that the Minister could give us some assurance on?

I thank you, Mr Nuttall, for chairing the debate. I hope we can continue to see progress, particularly in the timing of the Minister’s interventions with his opposite number. As the big events of 2018 come up, he will have more opportunities to develop relationships with countries that are hosting large sporting events. He, his officers, his parliamentary private secretaries and all the other Ministers who get to pop into South Korea and make representations on many issues can try several different approaches.

5.48 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alok Sharma): It is an absolute pleasure to serve under your chairmanship in this incredibly important debate, Mr Nuttall. I congratulate my hon. Friend the Member for Hertsmere (Oliver Dowden) on accepting the petition and securing the debate, and I thank the Petitions Committee for its work.

I begin by declaring an interest. My family and I adore dogs. My right hon. Friend the Member for Witney (Mr Cameron) demonstrated his love for cats—specifically Larry, the No. 10 cat—by producing photographic evidence. If right hon. and hon. Members will indulge me, I would also like to offer some photographic evidence of Olly, my five-year-old golden retriever. It is often said that dogs and owners end up resembling each other—

Mr David Nuttall (in the Chair): Order. I am sure that the Minister is keen to show us his dog, but he is out of order.

Alok Sharma: I apologise, Mr Nuttall. [ Interruption. ] There is a different view, perhaps, in the Public Gallery. I have induced an element of levity and I apologise if that was not warranted. I did it to make the point that people in this country have a special relationship with dogs. Like millions of dog owners across our great nation, my wife, daughters and I regard our dog as a treasured member of our family. I am certain that all hon. Members present who have dogs feel exactly the same way about their canine friends.

The Westminster dog of the year competition is a wonderful innovation that allows individual parliamentarians not just to showcase their best friend but to highlight to the world at large that those who make Britain’s laws care deeply about the welfare of animals. The very idea of eating dog meat or allowing any form of cruelty to be visited on dogs, or indeed on any other animal, is anathema to us all.

It is clear that the British public feel strongly about the dog meat trade in South Korea and more widely. More than 100,000 people signed the petition, and we have had excellent contributions from hon. Members highlighting their own and their constituents’ heartfelt concerns. My hon. Friend the Member for Hertsmere made an excellent opening contribution. He wanted to know what specifically the UK Government are doing to engage South Korea in dialogue on this issue, which I will address later. The hon. Member for Bristol East (Kerry McCarthy) made a fantastic speech, and she was keen to make the point that the UK Government should not somehow hide behind the fact that in some countries it is legal to eat dog meat. She pressed me on what we are doing as a Government.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) talked about the support that the UK Government may be providing to local charities in
some of these jurisdictions. She and a number of other hon. Members also spoke about the winter Olympics, which I will of course discuss later. The hon. Member for Strangford (Jim Shannon) talked about local charities and the work that South Korean politicians may be doing on this issue. Again, I will address that in my remarks. The hon. Member for West Dunbartonshire (Martín Docherty-Hughes) said that culture evolves, and he is right that culture does evolve in these countries. I will talk about how culture is evolving and coming around to our way of thinking on dogs and animal welfare.

The hon. Member for Belfast East (Gavin Robinson) made an important point about the use of soft power. We have a good relationship with the South Korean Government and many other Governments in that part of the world, and of course we should be using those relationships. The hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) said that we need to take a sensitive approach in such discussions. After all, this is about persuasion.

The hon. Member for Hornsey and Wood Green (Catherine West), the shadow Minister, also wanted to know about the winter Olympics, and she echoed the points raised by the hon. Member for Bristol East about how the Foreign Office is working with other Departments to highlight issues related to animal welfare and human rights. The shadow Minister made an interesting point about exchanging best practice in the meat industry.

I hope to cover many, if not all, of those points. If I do not manage to cover them all, I will be happy to have a further discussion with hon. Members. Of course, I will write to them on any substantive issues that they wish to raise.

Rebecca Pow (Taunton Deane) (Con): Huge apologies for being late. I would have put in to speak in this debate, but I could not get here.

I am the co-chair of the all-party animal welfare group, and I have two quick points. Given that we have such a high reputation across the world for our animal welfare, I urge the Minister to use those levers to work with countries where dog meat is still on the menu and with pet owners in those countries on animal welfare standards and on forming their own strong lobbies against the dog meat trade.

My second point, which I am sure has already been raised, is on rabies. There is a strong connection between handling dog meat and a high incidence of rabies. On health grounds, we should press that handling dog meat is not a good practice.

Alok Sharma: My hon. Friend makes some excellent points, which I will cover. She is right that we need to highlight the negative health issues connected with eating dog meat. Of course, we should also encourage those who are working hard in many of these jurisdictions to change attitudes and culture. I will talk about what is happening in a positive way in some of these countries, particularly in South Korea.

Given our discussion, I would like to raise three particular aspects. First, my hon. Friend the Member for Hertsmere and many others raised the cultural aspect of the consumption of dog meat. Secondly, there is the issue of welfare and the conditions in which the dogs are reared before they are subsequently killed for their meat. Specifically, I will address what we, the British Government, are doing to influence change. Thirdly, as my hon. Friend the Member for Taunton Deane (Rebecca Pow) just pointed out, I will cover the potential health risks of eating dog meat. I will also discuss the enormous amount of work that the UK Government are leading on antimicrobial resistance.

As hon. Members have noted, eating dog meat has been part of the culture of certain countries—sometimes going back hundreds of years and sometimes, as has been pointed out, slightly more recent. However distressing we may find the consumption of dog meat, we need to recognise that there are cultural differences across the globe. We need to respect that in some countries the sale and consumption of dog meat is legal.

Dogs are not an internationally protected species, and there are no international norms, laws or agreements covering the trade and consumption of dog meat. As a Government we aim to influence changes in attitudes and behaviour. No one would be happier than me if the consumption of dog meat ended tomorrow, but dictating to people in South Korea or anywhere else that they should not eat dog meat would be akin to another country telling us that we should not eat beef or pork. We need to win hearts and minds as a way of effecting change in attitudes to dog meat consumption. I will outline the specific support that the British Government are providing in that respect.

It is encouraging that in countries where dog meat is consumed—a number of hon. Members alluded to this—there are already signs that the culture and tradition are beginning to fade among the younger generation and the emerging middle classes, who view dogs as pets and companions rather than as a food source. In a recent survey 60% of under 30-year-olds in South Korea said that they regarded dogs as pets, and we would all expect that trend to continue.

In May 2016, 300,000 Koreans signed a petition calling on their Government to improve the country’s animal welfare Act. The petition was started by the Korean Animal Welfare Association, and it garnered those 300,000 signatures in five days on the back of Korean TV broadcasting a programme called “Animal Farm”, which highlighted abuses at puppy farms in the country. We should take heart from those trends and celebrate that many people in countries with a history of dog meat consumption share British attitudes towards dogs.

Although we need to be culturally sensitive, it is right that we speak up loudly on animal welfare matters. The UK Government take seriously all reports of animal cruelty wherever it takes place, whether in Britain or elsewhere. We are committed to raising standards of animal welfare and to phasing out cruel and inhumane practices both in the UK and overseas. Members have noted some of the cruel practices to which dogs reared for meat are subjected, and they have pointed out that in recent days a number of national newspapers have graphically highlighted some of the awful suffering and pain to which dogs are subjected in captivity and as they are killed. I was absolutely shocked by those images. There can be no excuse for barbarity against animals, wherever it takes place.
The British Government are at the forefront of efforts to protect the welfare of animals. In Britain, all owners and keepers must provide for the welfare needs of their animals. Failure to do so is an offence. I acknowledge the important work done by organisations such as the International Fund for Animal Welfare and, of course, the Royal Society for the Prevention of Cruelty to Animals to improve standards of animal welfare both in the UK and in other countries. More widely, the United Kingdom hosted the first high-level conference on the illegal wildlife trade in 2014, in which more than 40 countries participated.

The dog meat trade was last debated in this House in November 2015. In that debate, the former Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Rochford and Southend East (James Duddridge), gave an account of the work that we are doing in the Asia-Pacific region. As this petition relates primarily to South Korea, I will outline our work on this issue in that country specifically, although of course we are working with a range of countries, as the Government outlined last year.

Andy Slaughter (Hammersmith) (Lab): I apologise for not having been here earlier. The Minister mentioned the debate a year ago; I was there. Little progress seems to have been made since that time, but there has been a change in view among some politicians in South Korea and elsewhere. What specifically are the Government doing to work with these progressive forces, if I can put it that way, on this serious issue?

Alok Sharma: I will come to what we are doing, and what I personally have done, in terms of dialogue with representatives of the South Korean Government. We must acknowledge that there has been some change. I mentioned the changes in South Korea itself, and the fact that people in that country are recognising the need for change. We must give credit where it is due. With respect, I would say that progress is being made. It might not be fast enough for all of us in this room, but it is being made. As I said, I will come to what the Government and I are doing specifically in terms of dialogue with the South Korean Government.

Before I explain what action we are taking specifically on the dog meat trade, I will outline our broader bilateral relationship with South Korea, which a number of Members mentioned. The state visit by President Park in 2013 and our annual Foreign Secretary-level strategic dialogue are testament to the strength of our growing strategic partnership. Our bilateral discussions range widely, from the situation in North Korea to security in the wider region, climate change and terrorism.

Numerous Members, including the shadow Minister, alluded to the situation in North Korea. I can confirm that this afternoon I summoned the North Korean ambassador to the Foreign Office and explained to him in strong terms that the British Government do not believe that what the North Koreans are doing is in terms of nuclear testing is acceptable.

However, we share similar views with South Korea on many international issues; our voting records in the UN General Assembly and Human Rights Council are closely aligned. We supported and welcomed South Korea’s decision to deploy personnel to the UK-led effort to tackle Ebola in Sierra Leone. It was the only non-western country to do so, and the fact that South Korea chose to partner with the UK is further evidence of our strong relationship. We welcome increasing bilateral trade and investment ties between our two nations. It is the strength of our bilateral relationship and growing friendship that allows us the space to speak frankly on so many matters, including the dog meat trade.

Indeed, this morning, before this debate, I spoke to the South Korean ambassador, Ambassador Hwang, on the subject and explained the strength of feeling here in the UK. His view, as he expressed it, was that the South Korean Government are trying to address this issue by raising awareness around pet ownership and educating the Korean public about animal welfare issues. As he pointed out to me, the number of restaurants in South Korea serving dog meat is decreasing, while the number of pet owners is increasing.

Jim Shannon: In my speech, I mentioned that in the five months from May to September, 51 National Assembly members in South Korea signed up to a group, similar to our all-party parliamentary groups, on the sale and consumption of dog meat. Have the British Government had the opportunity at any stage to speak to that group? If not, I encourage the Minister and the British Government to do so.

Alok Sharma: We talk to a range of organisations, but I am happy to discuss the issue with the hon. Gentleman subsequent to this debate. We certainly know that there is an opportunity and a need to engage, not just with the Government but with charitable organisations.

Natalie McGarry (Glasgow East) (Ind): Given the great success of the Westminster dog of the year competition last week, of which the Minister spoke so highly, could he have a diplomatic word with his counterpart regarding that great success? Surely it would be a small but significant step in changing attitudes and minds if the South Korean Government also hosted such an event annually.

Alok Sharma: The hon. Lady raises an intriguing point. I am sure that many people will be listening with great interest to this debate, including representatives of the South Korean Government, and that they will have heard that very good suggestion.

Several Members commented on the work being done by South Korean politicians. It was reported in July 2016 that, in response to media coverage, the South Korean Agriculture Ministry had launched an investigation into serious abuses at the country’s puppy farms and thousands of other places where dogs are raised for meat. A meeting was held at the South Korean National Assembly in August to discuss revision of the Animal Protection Act, and I understand that an amendment may be tabled sometime this autumn.

What else are the UK Government doing to tackle the scourge of appalling welfare conditions experienced by many dogs? We face limitations. As hon. Members have noted, the consumption of dog meat is not illegal in South Korea and a number of other countries, dogs are not an internationally protected species and, of course, the UK has no jurisdiction to take action in countries where the practice is legal. However, I agree
that although we have no legal jurisdiction, we can and do still work hard to make our views known to the South Korean Government and press for change.

Our ambassador in Seoul has raised the issue of animal welfare, and the dog meat trade in particular, with the South Korean authorities on several occasions, and has stressed the desire in the UK to see the practice brought to an end. Our reputation as a nation of animal lovers means that we can make a strong case for dogs as pets rather than as food. We raise with South Korea our concerns about the conditions in which dogs in the dog meat trade are kept.

We are also working with charities operating in South Korea, both to encourage improvement of those conditions and to encourage dog farmers to seek other sources of income, a point made by the hon. Member for Belfast East. The UK charity Change for Animals Foundation offers dog farmers alternative avenues for income, buys their animals and sends the dogs to rescue centres around the globe. Farmers who take part in the scheme sign a legally binding contract preventing them from rearing dogs in the future. In April, officials from our embassy in Seoul visited a dog farm with the charity. The farmer had more than 250 dogs that he agreed to sell to the charity and start a scrap metal business instead, using the cages left over from the farm. Other previous dog meat traders have switched to other pursuits, including beekeeping. We will continue to support the work of that charity.

Health risks have been discussed. Although we want an end to the eating of dog meat and to the dog meat trade itself, until that happens we want to encourage the South Korean Government to improve regulation in the industry—the shadow Minister alluded to that as well—not just on animal welfare grounds, but due to the risks to human health associated with anti-microbial resistance when antibiotics used in livestock farming enter the food chain. It has been reported that the use of antibiotics in the dog meat trade is widespread in South Korea. Although the World Health Organisation recognises that the use of antibiotics in livestock farming is a concern, no research is currently available on the impact of AMR caused by the use of antibiotics in the dog meat trade.

The UK is an international leader on tackling AMR and is committed to full implementation of the 2015 global action plan. We will host an AMR event in New York at the UN General Assembly later this month, and we have invited South Korea to take part. Several hon. Members discussed changes in attitude in other countries in south-east Asia. When we talk about the health risks of eating dog meat, it is worth noting that in 2013 the Philippines outlawed the consumption and sale of dog meat in an attempt to prevent the spread of rabies.

Several hon. Members mentioned the forthcoming winter Olympics in Pyeongchang in 2018. High-profile global events such as Olympic games can be a catalyst for positive change. The South Korean Government will be aware that the high profile of the winter games could cast a spotlight on issues such as the dog meat trade, and we will continue our dialogue with them on it.

The hon. Member for Bristol East raised the issue of human rights. I want to make it clear that we regularly raise human rights issues with relevant countries where we have concerns; I have done so myself in my two months as a Minister. The Department for International Trade is now in the same building as my Department, the Foreign and Commonwealth Office, and we have a regular dialogue, but I will certainly take the hon. Lady’s points on board.

We will continue to work with the devolved Administrations to ensure that all Governments in the UK do as much as possible to promote animal welfare standards in the UK. We will also continue to work with our international partners.

Pedigree racing dogs were also mentioned. The animal reception centre at Heathrow plays an incredibly important role in enforcing the regulations that protect animal welfare during transport. In May, the centre prevented greyhounds from Ireland from being transported to China, because their cages were deemed too small to meet the requirements designed to protect the welfare of animals during transport on planes. We do take action where we see the need.

The hon. Member for Upper Bann (David Simpson) asked what checks there are on meat that comes into the UK and whether there is any contamination of the food chain. Given what has happened in the past, that is a perfectly relevant question. Any meat imported into the UK, or indeed into the EU, has to be accompanied by a health certificate to attest that it has met certain requirements. The UK has strict procedures in place to prevent meat such as dog meat from entering the food chain.

A point was raised about the work of Humane Society International and whether the Government are interacting with it. I can confirm that the Department for Environment, Food and Rural Affairs is funding an HSI project in Vietnam, through the UK Government’s illegal wildlife trade challenge fund. However, the Government are not working directly with HSI on the issue of dog meat.

This has been an incredibly important and wide-ranging debate, in which Members have raised some incredibly important points. I am absolutely sure that people outside the House who have watched the debate will have understood the strength of feeling of Members of Parliament and of the many others present today. I assure the House that, although the dog meat trade and the practice of eating dog meat may not be illegal, there is nothing to stop us from raising our concerns about it with the South Korean Government or other Governments, as we have done in the past and will continue to do.

6.14 pm

Oliver Dowden: Thank you, Mr Wilson, for assuming the Chair after my hon. Friend the Member for Bury North (Mr Nuttall).
I think all hon. Members will agree that we have had a very good debate this afternoon. The passion of the contributions reflects the passion of the correspondence we have all received from our constituents. I hope that those people who have written to us feel satisfied that the debate has properly been heard in the Westminster Hall Chamber.

I thank the Minister for his response and for his particularly visible demonstration of his love for animals. He dealt comprehensively with all the points raised, but I echo many hon. Members—particularly those who have been engaged with this campaign for a long time—in saying that actions speak louder than words, and that we look forward to the Minister taking our suggestions forward.

Perhaps it is appropriate, at the end of the debate, to reflect on the famous words often attributed to Gandhi:

“The greatness of a nation can be judged by the way it treats its animals.”

Question put and agreed to.

Resolved,

That this House has considered e-petition 120702 relating to South Korea and the dog meat trade.

6.15 pm

Sitting adjourned.
Westminster Hall

Tuesday 13 September 2016

[JOAN RYAN in the Chair]

BACKBENCH BUSINESS

Victims of Libyan-sponsored IRA Terrorism: Compensation

9.30 am

James Cartlidge (South Suffolk) (Con): I beg to move, That this House has considered compensation for victims of Libyan-sponsored IRA terrorism.

It is a pleasure to serve under your chairmanship, Ms Ryan. It is a great honour to bring forward this important debate on long-overdue compensation for UK victims of Libyan-sponsored IRA terrorism.

To set the scene of why this is such a critical and important debate, I first want to make a hypothetical case. Imagine if, in the coming weeks, the media were to report that there was strong evidence of the involvement of a sovereign state in the recent outrages in France. Imagine if we were to read that there was firm evidence that another country—not just the so-called Islamic State—had trained the lorry driver for the attack in Nice or had supplied the Kalashnikovs and the bombs for the attack on the Bataclan. There would be international outrage. Although that is hypothetical, the victims and their families in this case have had to live with such a reality for many years: throughout decades of IRA terrorism and murdering of people in this country, the weapons and explosives used were willingly and knowingly supplied by the regime of Colonel Gaddafi in Libya.

Two key and timeless principles are at stake here. The most obvious is justice. Quite simply, we wish to obtain compensation for the victims of this terrorism as a way for them to get accountability from Libya, and for Libya finally to pay for its role in those actions.

The other principle is fairness. For me, the most extraordinary fact of this whole issue is that compensation has been paid, but to citizens of countries other than the one where the murders were committed. Of course, this is a long-running campaign. These outrages happened many years ago and the victims and their families have been waiting many years for justice. It is no surprise that, many years ago and the victims and their families have had to live with such a reality for many years: throughout decades of IRA terrorism and murdering of people in this country, the weapons and explosives used were willingly and knowingly supplied by the regime of Colonel Gaddafi in Libya.

Two key and timeless principles are at stake here. The most obvious is justice. Quite simply, we wish to obtain compensation for the victims of this terrorism as a way for them to get accountability from Libya, and for Libya finally to pay for its role in those actions.

The other principle is fairness. For me, the most extraordinary fact of this whole issue is that compensation has been paid, but to citizens of countries other than the one where the murders were committed. Of course, this is a long-running campaign. These outrages happened many years ago and the victims and their families have been waiting many years for justice. It is no surprise that, in that time, many of the arguments have been made time and again, but I happen to think there is good reason to look at the issue that I am discussing again.

Before doing so, I pay tribute to the work of the Select Committee on Northern Ireland Affairs, which is chaired by my hon. Friend the Member for Tewkesbury (Mr Robertson), and which has an ongoing investigation into the matter. I pay tribute to the debate about the docklands bomb called by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), who is my friend, which I attended and at which he argued most passionately. I also pay tribute to the Bill to do with asset freezing currently going through the other place, which was brought by Lord Empey.

There is a lot going on and there have been many debates, but there are three key reasons why we should be looking at this issue again today. First and foremost, it is to seek an important update from my hon. Friend the Minister about what is happening in Libya. When he appeared before the Committee chaired by my hon. Friend the Member for Tewkesbury, he spoke of the fact that the Libyan Deputy Prime Minister will be setting up a new committee to look at the issue. It will be interesting to hear whether there have been any developments. We are hopeful but, of course, realistic and aware of the difficult situation that pertains in Libya at the moment with the civil war and so on.

Secondly, under the chairmanship of my hon. Friend the Member for Romford (Andrew Rosindell), we parliamentarians have formed a campaign group to represent victims and their families. Many of its members are here today, including myself, and I am delighted to see them. We will continue to fight for justice for those victims, whatever happens and whatever the Government do.

Thirdly, the most important and timely point is that on Friday the House of Representatives in America voted unanimously, as did the Senate in May, to pass into law a Bill known as JASTA—the Justice Against Sponsors of Terrorism Act; it will empower private citizens of the United States to sue those involved in state-sponsored terrorism. In my view, the fact that that was passed unanimously in Congress throws open the whole issue of state-sponsored terrorism and its relation to individuals and their ability to seek redress through the courts and likewise.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this timely debate. He is alluding to the recent American experience. Does he agree with me that, although there is a fundamental issue of restitution and compensation, alongside that is an issue of sending an international message to nation states across the globe that there is no escape from their responsibilities if, at any stage in the past, present or future, they finance international terrorism? That is the message that needs to come across from the debate.

James Cartlidge: I strongly agree. The point we are trying to put across is that the past catches up with those who perpetrate these vile acts. I am told by the Minister that the President of the United States has vetoed that Bill. It remains to be seen what will happen because, as I understand it, Hilary Clinton has pledged to support it. It seems hard to believe that the Bill is going to go away quietly, given that the biggest act of terrorism in the history of the west and the biggest attack on US sovereign territory since, I believe, Pearl Harbour, is involved.

After all, it must be remembered that cases against Saudi Arabia have been ongoing for years. The whole point of the Bill was to enable those litigants to overcome the issue of immunity. I personally think the Bill will come back and that we need to be cognisant of that. The hon. Gentleman’s important point was well made and I think it encapsulates that, when states support terror, justice eventually catches up with them. We are here to ensure that that is the case.

It will be helpful if I explain my personal involvement with this issue. I was elected last May as the Member of Parliament for South Suffolk, and that summer I met one of my constituents, Charles Arbuthnot, who is a campaigner on this cause and whose sister, as a 22-year-old
WPC serving her country on the frontline early in her career, was murdered in the Harrods bomb attack with explosives supplied by Libya. He is one of the key campaigners.

In the months afterwards, Charles and I exchanged letters, and I wrote to the Minister many times about the subject to probe a key point. I had been surprised, being new to the subject, unlike many hon. Members here, to hear from the Minister that a US citizen who had been caught up in the same bombing that had so brutally slain my constituent’s sister had been compensated. To me that was quite extraordinary.

I wrote to my hon. Friend the Minister and we had a long exchange of letters about it. I was shocked to discover, when looking back over all the debates on the subject, that the assumption, including by many hon. Members sitting here, was that the Government were aware of that compensation—it was a given—but that there was never any formal recognition of the fact that it had been paid out. I should say that my hon. Friend. Friend cares strongly about this issue, has served in Northern Ireland and will do all he can to help; there may be, shall we say, institutional issues at stake, in terms of the Department and successive Governments.

Finally, in March this year, I received a letter from my hon. Friend the Minister in which he referred to the deal made between the US and Libya, saying:

“Whilst the Commission did award compensation to a victim of the Harrods bomb, it is not possible to determine who the recipient was.”

He then went on to talk about whether that sets a precedent, which I think is absolutely key to this. He said:

“In future engagement with the Libyan Government, it may help us to mention that Libyan money has already been used to compensate victims of Qadhafi-inspired IRA terrorism. On the other hand, the Libyans may claim that Qadhafi made the decision to make payments to the US and that the decision to include US victims of the Harrods bombing within these payments was a US and not a Libyan one. They may therefore argue that this does not set a precedent for any future payments for victims of Qadhafi-inspired terrorism.”

My view is that it absolutely sets a precedent. Quite simply, money was paid to the victims—that is the bottom line. That is what our victims are seeking, because they want their redress and their justice, just as the Americans have received.

**James Cartlidge**

I believe that my hon. Friend the Member for Tewkesbury, the Chairman of the Northern Ireland Affairs Committee, will be looking in detail at the issue of espousal shortly. If we go through all the documentation over the years, it is striking how there was a distinct change in tone around 2010. Let us be quite open about it—until then, the Government were proactive; they wanted to help and wanted to fight for justice. After that time, we kept getting the same line: “This is a private matter, but we will facilitate.” That has been the line ever since, and it has almost never changed. Even if we took that as the Government position, more can be done, but I will come on to that.

In terms of the precedent, if no money had ever been paid to anybody, there would still be a campaign, but I dare say it would be slightly easier for those campaigning to live with that and swallow it. If the money had been paid to a country such as Russia that had some deal with Libya, we might not be so surprised. However, the fact that money was paid to a citizen of the United States—our closest ally, with whom we stood shoulder to shoulder in the fight against terrorism—and that they hatched a deal in which they got paid off and our citizens, murdered in their own country, got nothing, remains a disgrace and a shame to this day. That is why we fight on this issue and why I will continue to do so.

**Sir Gerald Howarth** (Aldershot) (Con): As my hon. Friend knows, I represent Aldershot, and we were the victims of a response to what happened in Londonderry on 30 January 1972. IRA terrorism burns deeply in the resentment in Aldershot. He talks about people receiving nothing, but some people were compensated. I had a chat with our noble Friend Lord Tebbit, whom everybody knows suffered horrendously; his wife suffered even more horrendously than he did. He has been compensated, but the level of compensation was very pitiful indeed. It is a question not simply of those who have received none, but of those who have received some compensation being adequately compensated. I wholly support what my hon. Friend is doing.

**James Cartlidge**: It is a pleasure to receive an intervention from my hon. Friend. I agree with him, of course. I am not sure whether the money in that case came from Libya or from a state sponsor, so I honestly cannot comment on that point. Obviously, we want to see all victims compensated, not only in terms of accountability and the balancing of the scales, but because they will have injuries and so on and will need to use that money to support the quality of life to which they frankly are entitled.

I mentioned the actions of the United States. Despite the news in respect of the President, it is important to read the purpose of JASTA, which was passed unanimously:

“The purpose of this Act is to provide civil litigants with the broadest possible basis, consistent with the Constitution of the United States, to seek relief against persons, entities, and foreign countries, wherever acting and wherever they may be found, that have provided material support, directly or indirectly, to foreign organizations or persons that engage in terrorist activities against the United States.”

The phrase “broadest possible basis” is incredibly powerful. I am not talking about the Minister individually, because I know he feels strongly about this issue, but many hon. Members here will think that at times, it has been the narrowest possible basis for the Government here, with them looking not at what we can do but at the reasons why we cannot do the things that campaigners are pressing for.
Mr Nigel Dodds (Belfast North) (DUP): I congratulate the hon. Gentleman on securing this important debate. I thank him and the people involved in the current campaign here in Westminster. I want to put on the record my thanks to Lord Brennan, who previously was involved heavily in this issue, including in the delegation we took to Libya; and to Andrew Mackinlay, who was active as a former Member of this place and continues to be heavily involved as a private citizen. Many people have been involved in this campaign.

It is important that we continue to press our own Government, as the hon. Gentleman says. He reflected on what would happen if a Government had sponsored current acts of terrorism—there would be outrage—but what if a Government were found to be colluding in denying citizens proper compensation and justice? He has our full support in ensuring compensation and justice for the victims of this terrible period in our history.

James Cartlidge: Thank you, Ms Ryan. I am coming to my concluding point of substance. I share the sentiments just expressed about all the efforts up until now. I am well aware, as a new MP, that much water has passed under the bridge.

The point in respect of the United States Congress is their proactivity in really supporting their victims. In January 2008, the US Congress passed the annual National Defence Authorization Act, which is the omnibus Bill through which it funds its military commitments every year. In 2008, special provisions were added, allowing victims of state-sponsored terrorism to collect court judgments from terrorism-sponsoring states by seizing their assets. When that happened, Gaddafi immediately realised he was looking at a fairly substantial bill of several billion pounds, which led to the settlement that capped the liability. From that amount, the money was paid out that eventually led to compensation for the victim in Harrods to whom I referred.

It is incredibly important to reflect on the fact that the measures taken in America are not gesture politics; they lead to real action. In fact, JASTA was passed precisely because those civil litigants were running up against a brick wall of immunity, and Congress passed the Bill to help them go further. I am not commenting against a brick wall of immunity, and Congress passed the Bill to help them go further. I am not commenting on what would happen if a Government had sponsored current acts of terrorism—there would be outrage—but what if a Government were found to be colluding in denying citizens proper compensation and justice? He has our full support in ensuring compensation and justice for the victims of this terrible period in our history.

Several hon. Members rose—

Joan Ryan (in the Chair): Order. If Members on the Back Benches take about four minutes, everybody will get in, but it is very tight. I will not impose a time limit at the moment, but I may do later.

9.48 am

Gavin Robinson (Belfast East) (DUP): It is a great privilege to have the opportunity to participate in this debate and to follow what was not only a strong contribution but a very meaningful one. Those of us from Northern Ireland who listened to the hon. Member for South Suffolk (James Cartlidge) appreciate the support that this campaign is gaining across each major party and each major part of this country. Every victim, be they from Northern Ireland or the rest of the United Kingdom, appreciates the support and attendance of hon. Members from parties throughout this House today, as well as the support of those such as Andrew Mackinlay who have served this campaign and continue to serve it so well.

This is about fairness, about transparency and about justice. It is easy to read in the Order Paper that this is a debate about compensation for victims of IRA terrorism and believe it is a Northern Ireland issue only. Today, all hon. Members who have attended are putting an end to that view.

David Simpson (Upper Bann) (DUP): I am sure my hon. Friend agrees that the word “justice” has become almost an insult to IRA victims, because many of them will never see justice. This is one way in which they can be compensated for the loss of loved ones, but Libya has dragged it out for far too long.

Gavin Robinson: I agree entirely with my hon. Friend. I recognise that the problem is not solely in Northern Ireland. The hon. Member for Aldershot (Sir Gerald Howarth) referred to the 1972 bombing in Manchester and there were others in Brighton, Warrington, Harrods, Hyde Park, Chelsea barracks and Canary Wharf, and many more atrocities at the hands of the IRA, supported by Colonel Gaddafi and the Libyan regime.

Since I was elected last May, I have spent a lot of time engaging with the Minister through the Northern Ireland Affairs Committee, in bilateral meetings and in supporting
the private Member’s Bill in the other place. From a rocky start in those discussions, the Minister is showing a personal desire, willingness and commitment to see this through. There is a real opportunity to deliver for the victims in this country.

Aid has been mentioned. I have said privately and publicly that it is unconscionable for me as a representative in this country to give aid, to help with reconstruction, to try to build lives and to provide a positive future for people’s lives in Libya, as we should, and not to recognise that people are languishing in this country, looking for support from their Government—a Government who are here to serve, a Government who are here to protect and a Government who are here to defend the interests of people of this country. I hope that we support the Libyan people as best we can and encourage that, but doing so provides a unique opportunity to make sure Libya recognises that there are still many brave people in this country, either sitting behind me today or watching at home, who need the support of a caring and compassionate Government.

We cannot continue to talk about these issues in the abstract. They are not only a vagary of our past; they are here with us today. Not so long ago—within the last six months—the victims of the Hyde Park bombing applied to this country’s Legal Aid Agency for support in their quest for a civil claim against the perpetrators of that bombing. They were turned down because they did not meet the criteria.

One reason why they did not meet the criteria was a fear that pursuing the quest of civil justice in British courts for British victims would be a threat to the peace process of Northern Ireland. What nonsense. I know the Minister will be able to respond to that point, but it is an indication of how victims in this country look to our Government for an appropriate response. There are many perpetrators of violence against the state who run to the courts, who receive support and who continue to claim they need further compensation, transparency or justice from the state—perpetrators of violence against the state and our citizens. If we can stand up for them—it sticks in our craw—it is incumbent on us to stand up for the victims of Libyan-sponsored IRA violence.

I want to focus on one case in my constituency. In March this year, a constituent, Adrian Ismay, was blown up by a bomb planted by the New IRA. It contained Semtex which, as there have been no recent purchases, is presumed to be of the same origin and extraction as that sourced from the Czech Republic through Libya to the IRA and disseminated through its splinter organisations. This year, a citizen of this country—a serving prison officer who believed in his community and served not only as a prison officer but in the search and rescue service—was blown up by Semtex with origins in Libya.

The chief suspect is walking the streets of Belfast on bail. Having breached his bail on three occasions and been returned to court, he is still walking the streets today. At the weekend, I received information that Police Service of Northern Ireland chiefs sent an email to their officers telling them not to conduct bail checks because they were generating too many complaints from his solicitor and offending his sensitivities—offending the sensitivities of a man who is alleged to be the murderer of my constituent in March. The police are concerned about his sensitivities.

I am conscious of time, Ms Ryan, but this debate gives the Minister a further opportunity to respond, whether to the victims of Hyde Park, to the victim Adrian Ismay and his family, or to the victims behind me and the countless victims throughout this country who have looked to the Government for an appropriate response. Today, Minister, is the time to give it.

9.55 am

Mr Laurence Robertson (Tewkesbury) (Con): It is a pleasure to serve under your chairmanship, Ms Ryan. I congratulate my hon. Friend the Member for South Suffolk (James Cartlidge) on taking an interest and having the motivation to introduce this debate and on the excellent way in which he presented his case. He spoke about fairness being the priority and the overriding concern of many hon. Members.

I thank the Minister for appearing before the Select Committee on two occasions to bring us up to date. He is obviously very engaged in this matter. I know that he not only sympathises with the victims and their relatives, but empathises with them. When he appeared before the Committee he demonstrated that he cares about the issue, and I thank him very much for that.

When we discuss the importance of this debate, we receive a lot of evidence from victims and their families, both orally and in writing. If anyone doubts the pain that has been caused to people in this country by Libyan-sponsored terrorism, they need only read, for example, the evidence submitted by Mr Colin Parry, who, following the attack in Warrington, had to make the heart-wrenching and unbelievably difficult decision to turn off his child’s life support machine. I will not read through all the evidence he submitted, but I urge hon. Members to read it on the website. It describes why we are all so concerned about what happened. We cannot bring those people back, of course, but we can try to recognise the pain of their loved ones—that is the first step—and then try to bring about some compensation for them or their communities.

We have received evidence from Tony Blair and Gordon Brown. Tony Blair said he did not raise the issue and it was not raised with him. Gordon Brown set up the reconciliation unit, which tried to move things on. We have two problems, as the Minister told the Select Committee. He talked about the difficulty of dealing with the Libyan Government when they are not a stable Government. Perhaps he will bring the Chamber up to date with the position there now and tell us whether he believes it can be moved on, now that things have moved on a little in Libya.

There is also the question of frozen assets, which the Select Committee discussed. I understand that something like £8 billion or £9 billion of frozen assets sourced from Libya are held in the United Kingdom. I do not know whether the result of the vote that the country rightly made on 23 June will change any aspect of that. The Committee has been told that those assets cannot be touched. I do not know whether Brexit, when it comes about, will challenge that decision, but perhaps the Minister will bring us up to date on that.
My hon. Friend the Member for Aldershot (Sir Gerald Howarth) said that some people have received some compensation, but very little. Presumably that was through the statutory compensation scheme, which was set up for such victims, but as my hon. Friend the Member for South Suffolk pointed out, it is uncertain—and, I think, doubtful—whether that money came from Libya. That is where the money should come from, because we hear of a foreign state that was not only encouraging, but physically supplying a terrorist organisation in this country to kill our own citizens. If Libya wants to become a serious constitutional country in the future and leave its pariah status behind, it must pay compensation for the people they have murdered in this country.

We need to move this situation on. It has been going on for a long time, as we all know. The victims and relatives are getting older; some will have died. I know that the situation is difficult and that diplomatically it might be difficult because we are trying to encourage Libya to move on, but it cannot move on without first clearing up the past. I therefore ask the Minister to continue to do everything that he is doing and possibly try to push our Government that little bit further to bring about, first, recognition of the pain and, secondly, the compensation that our British citizens are due.

10 am

Ian Paisley (North Antrim) (DUP): It is an honour to serve under your chairmanship, Ms Ryan. I commend the hon. Member for South Suffolk (James Cartlidge) for bringing this matter to the House. It is good that when fresh eyes come to look at a subject, they see the same injustice that other people who have looked at it before see. That encourages us, and the hon. Gentleman has certainly encouraged Members in the House today. His words will serve as a real fillip to the people of Northern Ireland and to the victims across the whole of the United Kingdom.

It is encouraging that as more and more people look at this situation, they see the inequitable treatment and injustice and they want to see fairness meted out to the victims. I also add my words of support for those who have for many years demonstrated steadfastness in their support for this case. Some are in the Public Gallery; my right hon. Friend the Member for Belfast North (Mr Dodds) has already been mentioned; and there are many others who, year in and decade out, have supported this case and worked very hard.

The hon. Member for Tewkesbury (Mr Robertson), who has rightly introduced this matter to the Northern Ireland Affairs Committee, has said that there are difficulties in dealing with the Libyan Government. There certainly are, but let me also place it on the record that there have been difficulties in dealing with successive Governments of Her Majesty.

I do not know, Ms Ryan, whether you have ever tried to fish eels from a bucket of water, but it is an incredibly difficult task. Trying to get one’s hands on some people in the FCO and on the Government—successive Governments—to get them to give a straight answer to many of the questions that victims have genuinely put on the table is like putting one’s hand into that bucket and trying to catch a slippery eel; it is practically impossible to get straight answers. I think that today’s debate starts to get us to the right point. Victims have waited long enough for answers. They are sick and tired of the dilly-dallying and delays. Many of them are coming to, let us face it, the latter years of their lives and they need answers before they pass the immortal tide. We need to face up to that, and pretty darn fast.

There have been several efforts to address some of these issues, but I want to put two matters to the Minister and I hope that in his summing-up he will address them. First, I hope that he agrees with me that life-changing injuries require life-changing levels of compensation—not the paltry sums mentioned by the hon. Member for Aldershot (Sir Gerald Howarth), but compensation that really addresses, for the generation of people injured, their needs, the impact that terror has had on them, their loss and their sense of loss.

Secondly, I want the Minister to talk about how we get compensation paid. I must commend him. He has been incredibly diligent. He reports regularly, privately and publicly, to Members of Parliament. He comes to the Select Committee and he has indicated to us the numerous conversations and efforts that are taking place with the new Government of national unity in Libya. I thank him for that, but there comes a point when we are told, “Look, we have to wait for this Government to be established and then we will put to them—we believe that they will be very compliant—the subject of compensation. At that point, compensation can more than likely be taken from the seized assets that are currently held by the Government here.” I can see why anyone who works in the City would oppose taking the assets and spending them in advance of that Government being established—because it would damage the City and the reputation of banking here. I understand all the reasons. It does not sound logical to a victim, but I understand the points that have been made. Therefore, I want to turn the subject round and present to the Minister a solution that I hope he will pick up and run with, or introduce as a Government amendment to the legislation.

My proposal is that the Government pay the victims in lieu, from British money. Given that they are confident that one day they will get an agreement with the new Government of national unity in Libya, when the agreement is in place they will take that money back. That will allow us to expedite compensation to resolve this matter, allow the victims to move on, allow us to put this situation, thankfully, behind us once and for all. It will also allow the Government to concentrate on helping to set up the new Government in Libya. On that basis, the Government will have solved the issue. They will not be spending the seized assets, but they will be recognising that one day those seized assets will be spent on the victims. I hope that the Minister will consider that and bring it forward.

Finally, I will put this on the table. For decades during our peace process, we were told, “Take a risk for peace.” I am saying to the Minister, “Your Government need to take that risk for peace now.”

10.6 am

Andrew Rosindell (Romford) (Con): It is a pleasure to serve under your chairmanship, Ms Ryan. I commend my hon. Friend the Member for South Suffolk (James Cartlidge) for bringing this matter to the Floor of the House and for the extremely valuable contributions that
he has made to the parliamentary support group for United Kingdom victims of Libyan/IRA terrorism. I thank all hon. Members for their support for this very important and worthwhile cause.

I would like to refer directly to the debate earlier this year initiated by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), in whose constituency the docklands bombing took place in 1996, and to some of the answers given by the Minister who replied to that debate, in the hope that the Minister today will consider different responses to the issue. The Minister in that debate, my hon. Friend the Member for East Hampshire (Damian Hinds), tried to claim that the issue of compensation in this case was different from others. I would like to address directly some of his points and explain why I and members of the parliamentary support group believe that the UK should obtain compensation for the victims. I appeal to this Minister to rethink how the Government approach the issue.

The Minister in the previous debate implied that victims of bombs that contained Libyan-supplied Semtex should be somehow treated differently, as those bombings were indirect acts of state agents from Libya. Of course, the Lockerbie bombing victims were treated as victims of direct actions by Libyan agents. Why are the two types of terrorism treated differently? To me, that makes no sense, and I doubt that uncompensated victims will agree with such meaningless distinctions between the two types of terrorism.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): First, I want to make it clear that this is a passionate debate and very important points have been made, but the Lockerbie bombing was directly linked to the Libyans. Where things become difficult is when a third party is involved in state sponsorship of terrorism. That is the distinction that we find. I am not saying that we should not pursue this issue. I am actively doing that and doing my best to do it, but it is not as clear-cut as when an aeroplane is taken out of the sky deliberately by the Libyans themselves. That was the link that the Americans made in seeking compensation. In addition to that, they wrapped into the compensation package other events as well, just to conclude the entire deal. That made it extremely fuzzy, but the US managed to succeed in doing that. I question why the Government of the day in this country did not do something similar.

Andrew Rosindell: I hear what the Minister says, but the reality is that if someone is a victim of terrorism, they are a victim of terrorism and the UK Government have a responsibility to act and ensure that there is fairness and that compensation is paid.

The reason why Gaddafi supplied the IRA was to retaliate against UK policy at the time. The Libyan regime may have used the IRA to do its dirty work, but it was a political decision by Tripoli, and Her Majesty’s subjects were harmed as a result.

The Minister at the time of the debate earlier this year, my hon. Friend the Member for East Hampshire, also stated that the US victims received compensation because Libya approached the US directly and Gaddafi wanted to be readmitted “to the international fold”.

The facts are that in January 2008 the US Congress passed a law that allowed victims of Libyan terrorism to enforce their damages against Libyan assets held by US companies. The end result was the 2008 US/Libya Claims Settlement Agreement. Why did the United Kingdom not pursue a similar approach? Why did Britain not make it a condition of its détente with Libya that the compensation issue had to be resolved? If this gave the United States a bargaining chip with the Gaddafi regime, that begs the question why the UK did not raise this when the Prime Minister at the time, Tony Blair, travelled to Tripoli in 2004 and 2007. Surely the UK should have used opportunities such as those visits to raise this vital issue for UK victims too, and to negotiate a settlement with Libya. Why did that not happen?

Mr Ellwood: I am grateful to my hon. Friend for giving way again. The Select Committee needs to invite Tony Blair to stand in front of it and answer those questions. That is what I would encourage the Select Committee to do and I am aware that its Chair is here listening to this.

Andrew Rosindell: I hope that the former Prime Minister will make himself available to the Committee, but that is a matter for the Select Committee. I would like to address what our Government can do today to help the victims of that terrorism.

There have been multiple opportunities to raise this with the new Libyan Governments following the fall of the Gaddafi regime. Given our offer of financial and military assistance as well as trade, why has this not been pursued at the same time? My hon. Friend the Member for East Hampshire also said that one of the reasons the Lockerbie bombing claimants received compensation was that they had the support of a United Nations Security Council resolution, so why should the UK not be lobbying the Council for the same support?

Lastly, I refer to the point made by the former Minister, my hon. Friend the Member for East Hampshire that:

“The Libyans see themselves as victims of Gaddafi, not the bearers of his legacy.”—[Official Report, 23 February 2016; Vol. 606, c. 33WH.]

That, too, is no excuse not to proceed. The UK victims of Libyan-sponsored IRA terrorism are also victims of Gaddafi. It is clear that if the victims are to receive any kind of justice and compensation, Her Majesty’s Government urgently need to consider two options. Either Her Majesty’s Government accept that they have failed to defend the interests of their civilians and pay compensation directly to the victims, or the Government agree to pay compensation in an interim period, to prevent victims waiting any longer, with the intention of recovering that money from those responsible when the time is appropriate. The point underlying those options is that the victims should receive compensation as soon as possible.

With regard to the first option, the Government must accept some responsibility for the fact that the victims have not received compensation up to now. Nobody has received one single penny, and that should not be acceptable. It is the responsibility of the UK Government to protect UK citizens from internecine terrorism and, in the case of failing to secure compensation for victims of Libyan-sponsored IRA terrorism, they have failed. It is true that Libya is currently an unstable state, and that
setting up negotiations with the Libyan Government would be difficult, but this is the fault of the UK Government for not having attempted such negotiations before 2011. Her Majesty’s Government must surely not miss any opportunity to raise this issue with the Government of Libya—fragile or not—today. Will the Minister assure the House that this will now happen?

The second option is for Her Majesty’s Government to espouse the claims by paying the victims compensation themselves, with the objective of recovering the money from Libya through either negotiations or the use of frozen assets. That would allow for the current instability in Libya, but address the fact that the victims have been waiting too long and indefinitely. We have a responsibility to obtain compensation for the victims as soon as possible, not years down the line when many may no longer be with us. Additionally, the UK Government should allow the UN and the EU to change the current licensing framework so that frozen assets can be used to recover the money. I understand the challenges that such a task would involve, but it would send a strong signal, at home and abroad, that the UK supports its victims of terrorism and that they will not be abandoned.

Until now, it is clear that the UK Government have not done enough to support the UK victims of Libyan-sponsored IRA terrorism. The Foreign and Commonwealth Office unit that was set up by Gordon Brown’s Government appears to have done little for the victims, apart from provide them with false hope. The Department holds the policy of not espousing private claims, but these are not simply private, because their cause is tied up with international politics. This is an abdication of its moral and legal responsibility and I do not believe that Members of this House should accept it for one moment longer. I say to the Minister that Her Majesty’s Government have a duty to act immediately to secure compensation for the long waiting, and greatly deserving, victims of these atrocities.

Several hon. Members rose—

Joan Ryan (in the Chair): Order. If all Members are now going to get to speak, the time limit needs to be reduced to something like three to three-and-a-half minutes.

10.15 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak on this very important subject. The right hon. and hon. Members who have spoken have outlined the issues for us as Northern Ireland MPs, against the background of the massive loss of life not only in Northern Ireland but on the mainland. It is good to know of the cross-party support on this issue in this Chamber. I commend the hon. Member for South Suffolk (James Cartlidge) for the way he set the scene. I was keen to see whether Labour, under its new leader the right hon. Member for Islington North (Jeremy Corbyn), would see this as a priority, but obviously it does not. The right hon. Gentleman has shown an interest in the IRA in Northern Ireland in the past, but from a different perspective.

The IRA terrorist campaign led to the deaths of 3,750 people not only in Northern Ireland but in Brighton, London and Manchester. Each IRA bomb was Semtex that came from Gaddafi and the Libyans. My hon. Friend the Member for Belfast East (Gavin Robinson) very clearly outlined how Semtex is affecting things that are happening even today.

Sunday was the anniversary of 9/11, and we all took time to reflect, prayerfully and physically, on that occasion and on what took place. That changed the opinion of the world in many cases. It changed the opinion of the Americans as well, who in the past perhaps looked on the Irish problem as one in which so-called freedom fighters—the IRA—were doing something fanciful and maybe romantic, as they saw it. That changed with the bombing of 9/11, when they realised what terrorism was—it changes us all.

I commend my friend, Andrew Mackinlay, who is here, for the hard work that he has done in the past, and those people in the Gallery who are here to acknowledge this fact as well. Compensation and a form of justice is what we are after. The Minister has stated that he cannot speak for past Governments, and even if he could it would be unfair to ask him to do so.

The Americans are notoriously litigious—some lawyers are on speed dial—yet their Government stepped in to ensure that a compensation claim was pursued corporately and not through individual suits. The passport that we all carry in this House—I will just make this point quickly in the short time I have—contain the momentous words:

“to afford the bearer such assistance and protection as may be necessary.”

That is demanding upon other nations, but it is also demanding upon our own Foreign and Commonwealth Minister and Government. I have read of how EU regulations do not allow for the unfreezing or use of interest of Libyan monies in British banks, but I do not feel victims should wait for us finally to be extricated from the bonds of the EU to have access to compensation. That is very important.

The fact remains that my constituents, and the constituents of many of my colleagues in this place, have a right to know that their Government are working on their behalf, most especially after having suffered at the hands of terrorists who do not have to do the time for their crimes. The Good Friday agreement, and latterly the on-the-run scheme, has meant that for many the hope of justice has disappeared. There is still hope for these victims that their pain and suffering could be acknowledged in this way, and that is what I am asking for today.

In conclusion, in memory of all those who lost lives—murdered in cold blood by the IRA over 30 years of terror aided by Gaddafi and Libya—our Government will stand up and speak out. If legislation needs changing, change it. If European regulations need altering, do so. If others in the UN must be tasked to see things from our angle—in the way that the Americans were able to do—take them to Specsavers and ensure that they can see clearly the fairness and equality that we see clearly in this Chamber. Do what needs to be done and say what needs to be said. If we do that, we will be treated similarly to our American friends and colleagues. I believe that our Government must take this opportunity to prove that by taking actions from today. I fully back the comments that have been made and look to the Minister for his response.
Ms Margaret Ritchie (South Down) (SDLP): It is a pleasure to serve under your chairmanship, Ms Ryan, and I congratulate the hon. Member for South Suffolk (James Cartlidge) on securing this very important debate.

The many thousands of people who, during the troubles in Northern Ireland—whether in Northern Ireland, the Republic of Ireland, here in Britain or elsewhere—were subject to violence and human rights abuses are entitled to compensation, truth and justice. As other hon. Members have said this morning, violence and terrorism were never justified in Northern Ireland. It was always a political process and should have been a political process.

That violence and terrorism was never justified and it is never justified today either. Whether it involved victims of the IRA and Libyan weapons, victims of British Government agents, or victims of the Ulster Defence Association, the Ulster Volunteer Force or other paramilitary groupings, every single murder during the troubles was wrong. The rights of victims, such as those sitting behind us in the Public Gallery today, must be respected and supported by all political parties.

We in the Social Democratic and Labour party support the victims of IRA violence using Libyan weapons and believe that those claims should be worked through by the Libyan and British Governments; Colonel Gaddafi and the Libyan Government supplying those weapons to the IRA was immoral, unacceptable and wrong. It created unnecessary death and destruction, which was never, ever justified. I know that Libya has conceded the principle of compensation by making payments to citizens of the United States and the Minister has been trying, through his interventions, to explain the reasons why that has not happened back in the UK. But it is important that that vital instrument and vital piece of the wider geometry is understood and resolved for the benefit of all.

In untangling the situation with the current Libyan Government, we must also try to understand the situation facing victims and survivors of all the terrorist violence that took place during the troubles in Northern Ireland. I am thinking of my debate last week about Loughinisland, where six men were traumatically killed by the UVF; there has been no justice and accountability. Again, that is symptomatic of the wider feelings around dealing with the past. I ask this Minister, who is from the Foreign and Commonwealth Office, whether he will have discussions with his counterparts in the Northern Ireland Office on foot of this debate, because the ongoing case that we are discussing today is not only for financial compensation, but for the acknowledgement and recognition of the suffering caused, and for truth and accountability.

As hon. Members here today know, particularly the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson), who has dealt with Eames-Bradley and the other such issues, the structures for dealing with the past in Northern Ireland have been downgraded since Eames-Bradley and, in fact, even since the Stormont House talks. Serious work and amendment are still required on the oral history archive, the historical inquiries unit, the Independent Commission on Information Retrieval and the Implementation and Reconciliation Group.

In conclusion, I believe that the process on legacy matters, such as that under debate today, must be right, as must be the final product. That can be achieved only if victims and survivors are fully involved, and that includes the people who were impacted by Libya and the consequences of the supply of those illegal arms to the IRA, as well as by the arms retrieved from South Africa that caused the deaths of people in Northern Ireland.

We have only one chance to deal with legacy in the UK—particularly, from our perspective, in Northern Ireland. It must be credible and must be seen to be credible, and only full transparency from the Government will achieve that. That is what I am looking for today in the Minister’s response.

Tom Elliott (Fermanagh and South Tyrone) (UUP): It is a pleasure to serve under your chairmanship, Ms Ryan, and I welcome the debate that the hon. Member for South Suffolk (James Cartlidge) has secured. He clearly highlighted the good work that is ongoing at the moment but I have to say that, in the end, it is not enough. I support his aspiration regarding what should have happened, and the Minister’s point about what should have happened under a past Government regime. I have a sense of frustration about that, just as the victims do, but we are where we are and further work will be needed. I welcome the Bill of my colleague, Lord Empey, in the other House, but it will take work from this Government to move that forward.

I certainly do not want to pretend that I have a monopoly on the representation of victims, but I remind hon. Members of the Enniskillen poppy day bomb in my constituency back in 1987, which killed 11 people. We do not have any conclusions on that. Even though the Historical Enquiries Team promised a report four years ago, we still do not have it, and we still do not have any progress.

I believe that there are people out there who could help that investigation in identifying some aspects about the weapons and support that came from Libya. Some of those people are very senior in the Northern Ireland Executive now. Indeed, I believe that the Deputy First Minister, Martin McGuinness, could give support, help and assistance, but it appears that he is not prepared to do so. If we are going to deal with the past and aspects relating to Libya, Martin McGuinness and his colleagues need to come out and be absolutely clear on where they stood, what they have done in the past, and how they assisted. I want to see progress on that.

Somebody earlier mentioned fairness. This is about fairness. We hear of the millions of pounds that are going to other inquiries in Northern Ireland and on mainland UK. Why can other victims not have a share of that, whether it comes from Libya or other places? They need that equality and support as well, and they are not getting it. I know of several police officers and Ulster Defence Regiment members who were murdered. Their families got a few thousand pounds in compensation, while other victims are not getting it. I know of several police officers and Ulster Defence Regiment members who were murdered.

Their families got a few thousand pounds in compensation, but that is not appropriate, and it is certainly not fair when we hear of the millions going to victims now. I want to see that addressed and the balance redressed.

I am pleading with you, Minister, please, in the lifetime of this Parliament, make sure that we resolve this matter now, so we are not coming back to it in five years’ time and having the same debate. I believe that you have the wherewithal to do it. The Libyan Government have accepted the principle in the past by giving other
countries compensation. I am pleading with you now: please do it for your own citizens. Do it for the citizens of the United Kingdom, which includes those in Northern Ireland as well.

10.28 am

Ann Clwyd (Cynon Valley) (Lab): I am grateful to the hon. Member for South Suffolk (James Cartlidge) for allowing me to take part in this debate. He stressed that although US citizens caught up in IRA bombings using Libyan Semtex have been compensated, UK citizens have not, and I hope what I say will contribute to the arguments used in this debate.

As the House will be aware, this kind of situation, in which our nationals are not compensated but others are for very serious wrongs committed against them by, or involving, another Government, is not unprecedented. I have been campaigning for many years for compensation for UK citizens taken hostage by the Iraqi Government of Saddam Hussein at the time of the invasion of Kuwait by Iraq in 1990, including those on BA flight 149, and released some months later. Many of those people—I have a letter here today—were badly traumatised by their experience. Some suffered mental and physical abuse, including instances of mock executions and rape, and none, to my knowledge, has received compensation.

The issue has been raised with me again recently in the letter, the writer of which asked me to continue raising the issue. This is a historical wrong that still needs to be addressed. The UK Government should do more to assist the victims—particularly as nationals from other countries, including France and the United States, have received compensation—including those on British Airways flight 149. I will not go into the details, but I remind colleagues that BA flight 149 made a stopover in Kuwait on its way to Malaysia from Heathrow on the day of the invasion. It has since been alleged that the UK Government allowed the passengers and crew to land there, knowing that they would be endangered.

Especially galling is that 61 French passengers on board the plane won compensation worth about £50,000 each from BA. There have also been reports of undisclosed payouts to American passengers held as human shields. However, the case brought by British passengers was thrown out, essentially on a technicality, by the House of Lords. In fact, after the 1991 war, the UN Security Council ordered Iraq to compensate countries that suffered as a result of its occupation of Kuwait.

Compensation has been paid—a significant proportion to Kuwait. I am not aware of any payment by the Iraqi Government, or any other entity, to British claimants. Will the Minister clarify whether that is, in fact, the case and whether the UK Government have ever formally raised the matter with the Iraqi Government or any other relevant entity? The matter remains unresolved and the UK Government could undertake to raise it in the coming months.

Finally, I remain concerned that the UK Government have not yet dealt with the cases with sufficient resolve and urgency, including in my example, in that set out by the hon. Member for South Suffolk and many other colleagues, and in current cases where British nationals’ rights, wellbeing and security are being flagrantly treated with contempt by foreign Governments. I support the case put by the hon. Member for South Suffolk. The situation is unfair and unjust.

10.32 am

Danny Kinahan (South Antrim) (UUP): I am pleased to speak on something about which we all feel passionate. I congratulate the hon. Member for South Suffolk (James Cartlidge) on raising the issue, and I wish that more hon. Members from this side of the water would raise the issue so that we could all work together.

I am pleased to be on the Select Committee on Northern Ireland Affairs and to have listened to some of the ghastly evidence of those who have suffered. The driving force of today’s debate should be to get action and care for those people from now on. We are all part of the pride that is British society; yet, somehow, we have let ourselves down. We have not done what we should have done for all those people, one of whom referred to the “hell on earth” that she has been through. That sums it all up. We should be looking into how we can care for them.

The Minister kindly wrote me a letter in reply to various queries. On the question of how to look after victims of post-traumatic stress disorder, he referred to going to the NHS. That made me think about the route that we are taking with the military covenant. Maybe we should produce a covenant for victims—something that everyone in the whole UK is behind—to ensure that we look after them, whether that is at a Westminster or a council level. We should look into having a system, but there should be no excuse for not doing things now. We should find a way to care for the victims.

We have heard about compensation, and we need to find a way to get that. The hon. Member for North Antrim (Ian Paisley) suggested exactly what I had in mind. Let us do something in lieu of the £9 billion that is sitting there, and find some way of making use of the money. Whether it is buying a house or borrowing, we all find ways to talk to the banks and move forward. There must be a way—working through the UN, the EU and others—to find a solution that produces funding.

Another point that always seems to be missed out is that we do not have a database of all the victims. There is a mass of people. We need some form of publicity to build the database so that when we get the compensation—and I believe we will—we can look after everyone, especially those who need it.

Finally, could we have openness? Many, such as the Minister and all those who are here today, work phenomenally hard, but there are still so many doubts. We cannot get Tony Blair or Gordon Brown to the Committee. There are so many unanswered questions that leave a dirty feeling about what is going on. I know that many people are working hard, but can we please get out there and have openness? Perhaps we could have an open reconciliation commission here so that we can actually get to the bottom of the issue so that everyone can move on. We need speed to help those in need.

10.35 am

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): It is an honour to serve under your chairship, Ms Ryan. I congratulate the hon. Member for South Suffolk (James Cartlidge) on securing the debate. Like him, I am fairly new to the subject, so it has been a real privilege to hear from so many hon. Members who have been campaigning for so long to get justice for victims.
The issue remains extremely important and sensitive. The Scottish National party welcomes the fact that the Northern Ireland Affairs Committee is carrying out an inquiry into the matter of compensation for victims and the UK Government’s role. It is good to see so many members of the Committee here today. It is right that an independent inquiry into the issue should take place to fully evaluate whether all the decisions made by the UK Government on the matter were appropriate. We hope that the inquiry will be able to answer the questions that the victims’ families have been struggling with for so long, and that it may help families to find some resolution and peace.

Any decisions made would have to go through various diplomatic and legal processes, but we must ensure that any processes are undertaken with utmost respect for the dignity and privacy of the victims’ families. According to the UK Government, the avenue of using frozen assets to compensate victims’ families would place the Government in breach of their obligations under UN Security Council resolutions, EU sanctions regulations and the European convention on human rights.

In February 2016, the then Exchequer Secretary to the Treasury, the hon. Member for East Hampshire (Damian Hinds), stated that “the legal framework relating to financial sanctions is focused on preserving the funds for the benefit of the Libyan people”—[Official Report, 23 February 2016; Vol. 606, c. 32WH.] However, it seems that there is still a possibility that a more personal agreement could be reached between the representatives of victims’ groups and the relevant Libyan authorities, although I was interested to hear about the Government taking those issues on. It is promising that, as reported in The Daily Telegraph in January 2016, the Minister met with the Prime Minister designate of Libya, Fayez el-Sarraj, and raised the case for compensation. It is good to see the Minister here and I am sure everybody is looking forward to his response.

Although the wish to have the matter resolved as soon as possible on behalf of the victims’ families is understandable, it is of utmost importance that the ongoing political instability in Libya is taken into account before any such communication takes place between victim support groups and Libyan authorities. Families have been through the terrible experience of losing a loved one in such horrific circumstances. To avoid any unnecessary suffering and to ensure the privacy of victims’ families, it is vital to wait until diplomatic and peaceful communication between victim support groups and Libyan authorities can be achieved.

We welcome the fact that the UK Government have shown support for such a pathway, and we hope that they will continue to update victim support groups on the ongoing political situation in Libya and any progress that can be made with their cause. A number of important issues have been raised in the debate, so I will finish my remarks because I am sure that many hon. Members want to hear the Minister’s response.

10.38 am

Catherine West (Hornsey and Wood Green) (Lab): It is an honour to serve under your chairmanship, Ms Ryan. I congratulate the hon. Member for South Suffolk (James Cartlidge) on securing the debate. I also pay tribute to the tireless work of support and campaign groups that have continued to seek justice for those who have fallen victim to terrorism, including the Docklands Victims of Libyan-sponsored IRA Terrorism: Compensation

[Stuart Blair Donaldson]
10.42 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): It is a pleasure to serve under your chairmanship, Ms Ryan. I begin, as others have done, by underlining the importance of this debate in the wider picture of ensuring that the Government have a better understanding of these critical matters. I am grateful that the legislature is able to continue holding the Executive to account on an extremely sensitive issue—the legislature has been tested by the length of time it is taking to resolve these important matters. I congratulate my hon. Friend the Member for South Suffolk (James Cartlidge) on his contribution; indeed, I congratulate all hon. Members on their very moving and pertinent contributions today.

When I first came across this issue before the Northern Ireland Affairs Committee, I did not know a huge amount of detail, as was evident by the types of answers that I then provided. I hope that my answers today will express a determination to stick to the course, which I would have done even had I moved away from the Foreign Office. Thankfully I continue in this post, and I endeavour to do what I can to work with fellow parliamentarians to ensure that we can push this cause forward.

As has been recognised here today, the situation in Libya is at the heart of the issue and is a cause of absolute frustration in our not being able to move this forward. The situation is testing the patience of those seeking compensation. Until Libya has a Government we can work with, we are simply not able to consider what to do with the frozen assets—we are simply not able to have those conversations. Every time I have addressed this matter in Parliament, I have been pleased to say that the situation in Libya is incrementally better, and the same is true today. However, the situation is still very delicate. The Government of national accord, under Prime Minister Sarraj, are having a tough time of bringing together societies that for 40 years under Gaddafi had no ability to flourish. Our embassy is not fully functioning, and our ability to move in and out is still restricted, as expressed by our travel advice. As has been mentioned, Daesh is moving into certain areas and towns. The situation is difficult, but it is better than the last time I spoke to the House on this issue.

Lady Hermon: The Minister has listened carefully to the evidence given to the Northern Ireland Affairs Committee, of which I am pleased to be a member. I have a specific point on the 2011 EU regulation governing the freezing of assets. That regulation was implemented in the UK, but the Brexit decision means that the Government are free from that regulation. As there are no additional domestic measures on the freezing of Libyan assets, will he confirm that this is part of the Brexit negotiations?

Mr Ellwood: If hon. Members allow me, I will do my best to answer all the questions. My hon. Friend the Member for Romford (Andrew Rosindell) also mentioned Brexit—he is characteristically on top of Brexit matters—and my direct answer is that I am afraid that that is not the case. First, many of the EU’s financial regulations have been written or espoused by Britain because we led on financial services. Secondly, we are governed by UN regulations, and those are the ones of which we would be in breach. I will come and speak to the hon. Member for North Down (Lady Hermon) about that in more detail.

I met the Prime Minister-designate, as he then was, back in November 2015. I had subsequent meetings with the Foreign Minister of Libya, and I hope to meet him at the UN General Assembly next week—I will be raising this matter, too. Our new Foreign Secretary has also raised this matter, and our previous Foreign Secretary, now the Chancellor, raised it when he visited Tripoli only a few months ago. I wrote to Libya’s then Justice Minister about the formation of the committee on this very issue, but there has since been a reshuffle—that happens, as we know—and the justice post is currently vacant. I am waiting to see who the new Justice Minister is. I will be making contact to pursue these matters as soon as that appointment is made.

Kevin Foster (Torbay) (Con): Will the Minister give way?

Mr Ellwood: I will give way. I am conscious that I have a lot to get through, so I ask that the intervention is short.

Kevin Foster: I thank the Minister for giving way. I will be very brief. Will he make it clear that, whatever Government emerge, we will expect them to take some responsibility? There are examples from history. Germany rejected Nazism, but the Government who were eventually formed still paid compensation to its victims.

Mr Ellwood: We need to make a powerful case that there was clearly state-sponsored terrorism, with devastating effects in Northern Ireland. I will continue to make that case in New York next week, but I will also do so in further meetings as relationships with Libya become stronger.

Frozen assets have been mentioned several times. If we dip into the frozen assets based in this country, where would that take our relationship with Libya as a whole, when we are about to have the very conversations that my hon. Friend just mentioned? We need to be careful. I pose some difficult questions to the House. How much would we take? To whom would we give the money? How would we distinguish between somebody injured by Semtex, where it is very clear—Semtex has a footprint that can be identified because of the way it is made by hand—and somebody injured by ammunition provided by Libya? These are difficult questions that those involved in compensation need to start thinking about.

Were we ever to get any form of compensation from Libya, I suspect that we would need to get our heads around the idea that it will be a single sum that is slid across the table. It will be for the victims’ organisations to assess how the compensation is divided up, as those in authority in Libya would not want to be involved in the detail. I share that now because these are awkward, difficult questions.

One Member talked about the mental scars that have been caused. People who have not necessarily come forward yet are subject to these issues, which raise difficult questions. When we speak about frozen assets and so forth, let us also ask ourselves exactly what the
mechanisms will be if we go down that road—let us do the homework—so that we are prepared if such questions are asked of us.

However, I do not want to raise any expectations at all. Ultimately, we still need to convince the necessary authorities that they will speak for what a previous Government under Gaddafi did by putting their hands up and saying that they sponsored terrorism, through the IRA. I am also aware that a private Member’s Bill is coming through from the Lords—my hon. Friend the Member for Romford might be involved in that as well—so we will undoubtedly explore such issues in due course.

On asset freezing and Brexit, as I said, maybe I can write to the hon. Member for North Down in more detail, but the issues are subject to myriad regulations, some of which involve the EU, from which we might be liberated if article 50 passes. Nevertheless, the reputation of the City of London is also involved, which is significant as well. If we are seen to dip into assets, where does that place Britain as a safe place to do business? Morally, we might say, “Absolutely. Let’s go down this road and take those assets.” I simply suggest that there will be consequences if we do so.

Sir Gerald Howarth: Surely there is a simple solution. We are masters of our own destiny—even more so after Brexit. Let us just pass a Bill. This House is sovereign; we can write our own laws.

Mr Ellwood: As I said, that is an option that we can consider, but it has severe consequences, which is why I would not recommend it when we are about to embark on discussions. If there is any whiff that we are about to dip into frozen assets to the tune of £9 billion, where will that take our relationship with Libya? There would be consequences. I will make it clear: our objective is to gain compensation, but our strategy to gain that compensation should take us to the best possible place, rather than making us enemies along the way.

Catherine West: What assessment have the Minister’s civil servants made of the varying degrees of need? We know that some victims are in desperate need—today, not in the future. What assessment has been made of their varying levels of need?

Mr Ellwood: It is not for me to do that. I am the Minister in the Foreign Office. When I visited Northern Ireland, it became apparent to me that there were cases in which those subject to violence and terrorism there by the IRA were perhaps not receiving as much compensation as they should. I pass on such matters, but they are not for me as a Foreign Minister to pursue. I am helping with the link with Libya.

There are various schemes in place. I am involved in supporting those affected by the Sousse terrorist attacks to ensure that they receive the necessary compensation. There is a criminal injuries compensation scheme, as well as one tailored to Northern Ireland. If they do not meet the support needs of those affected, that is a domestic matter that must be pursued, and I will encourage that, but it is not for me to pursue it. However, I will discuss it with the new Secretary of State for Northern Ireland.

Ian Paisley: To be frank, it is a bit of a red herring to be arguing in this debate about dipping in. That is part of the drive of the Bill in the other place. We argued for something very separate: Her Majesty’s Government should make a payment in lieu. That would involve the Minister at the Foreign Office having a discussion with Her Majesty’s Treasury and coming up with some way to underwrite that payment. Is that a possibility?

Mr Ellwood: Again, time is limited. There is a Bill coming through, and it will have its Second Reading on the Floor of this House. We can have that debate then; it would be the most appropriate time to do so. The frozen assets do not belong to the Gaddafi family; they belong to the state and the people of Libya. That is the international law by which we abide. We can release, unfreeze or touch those frozen assets only when there is a secure and stable state to return them to. To do anything else would be unlawful. I want to make that clear.

Moving on to some of the other points made, the hon. Member for North Antrim (Ian Paisley) covered the issue of frozen assets, but also spoke about the strategy. Let me make it clear: if we go down the road of using frozen assets, we are basically saying that we do not want to have the conversations with Libya that we are about to embark on. We must be clear about where to focus our energy. We have made it clear that the Government will not espouse individual claims, but I will lead a delegation to knock on the Justice Minister’s door to pursue compensation. If Libya and Tripoli are not safe enough, let us ask them to come to London so we can have those conversations here. That is my commitment to ensuring that we pursue and continue the dialogue. I think and hope that that strategy will meet with the agreement of all hon. Members who have spoken in this debate.

My hon. Friend the Member for Romford also spoke about comparing the aid budget, as is often done in such cases, suggesting that we should hold it back to encourage compensation to be paid. Again, that would have huge consequences. He will be aware, as are others here, of what is happening on the Libyan sea front. Criminal gangs are using rickety boats to bring people across the sea. Our aid budget assists in preventing that from happening. There would be direct consequences for other aspects of Libya, including support for the fight against terrorism, so it might be unhelpful from that perspective. However, I absolutely agree that there should be a quid pro quo to encourage things to happen. I am being careful while saying this, because there are civil servants looking at me with big eyes, but our genuine further commitment should be based on what progress we see, not least on this particular issue. I will leave it at that for the moment.

The hon. Member for South Down (Ms Ritchie) talked about justice and accountability, which are an important part of this issue. It is about ensuring that Libya not only recognises the need for compensation but puts up its hands, in the way that we have seen with the United States. I am conscious of the time, so I will just touch on the United States. That was a political
agreement, not a financial package of compensation. It was about bringing Gaddafi in from the cold. That is why, in my earlier intervention, I suggested inviting Tony Blair to make a statement on the matter. Clarity is needed on what happened in 2008 and why we did not pursue something similar. That was our opportunity, and I believe that that opportunity was missed.

I will wind up my speech, if I may, because there were many more questions to be answered. In my usual style, I will write to hon. Members. Members with more details on the questions they have asked, but I hope that I have exhibited some passion and determination in saying that I absolutely want to ensure that this Government do what we can to hold Libya to account and give it the opportunity to do the right thing by recognising the case for compensation. Perhaps it can be tied to when the assets are released. That would be a major step forward in strengthening the bond between our two countries. Much hinges on the progress made in Libya. It has been very slow indeed, much to the frustration of everyone.

10.58 am

James Cartlidge: This has been an excellent debate. I thank all hon. Members. Members from all parties and all parts of the United Kingdom, for participating. In this short time, I will highlight some of the key points made. Different proposals have been made on the subject of assets. The hon. Member for North Antrim (Ian Paisley) talked about payment in lieu. The key thing, as my hon. Friend the Member for Romford (Andrew Rosindell) mentioned, is Lord Empey’s Bill, which unless I have misunderstood—I will check Hansard tomorrow—we will have Government time to discuss. We would be grateful if that Bill could be debated fully in the House of Commons so we can explore the details. I welcome that.

On the subject of aid, I agree with the hon. Member for Belfast East (Gavin Robinson). To me, it is hard to defend paying large amounts of aid to Libya without any discussion of compensation. We should pursue that point. On Tony Blair, we would all like to see him before the Committee; I think that is unanimous. We want to discover what happened in those negotiations. It is a mystery to us, and we hope to explore it.

The Minister asked how we might determine how much compensation is due. As I understand it, in the US-Libya deal in 2008, a tariff was set up for the victims. Otherwise, how would payments have been awarded? It was not done on a random throw of the dice, so there is a precedent in the US for the people of the United Kingdom. The point is that compensation was paid—in some cases, millions of pounds. Either way, there is a precedent. That is what we should look at, and it is a key point in this debate. Compensation has been paid, and we want it for our victims in this country.

Motion lapsed (Standing Order No. 10(6)).

11.1 am

Claire Perry (Devizes) (Con): I beg to move, That this House has considered penalties for causing death by dangerous driving.

It is a pleasure to serve under your chairmanship, Ms Ryan. I appreciate the Minister’s making time to respond to the debate, which concerns many MPs across the House.

I was made aware of the case of James Gilbey when his dad, Major Richard Gilbey, came to see me in my constituency surgery earlier this year, about a year after James was killed on a pelican crossing while walking home after a night out in Leeds. He was a 25-year-old man who worked for British Gas and loved his life. On that night he had the misfortune to be in the sights of two men racing their cars through the streets of Leeds, who were travelling at speeds of up to 90 mph despite driving through residential zones with signs that clearly stated the speed limit of 40 mph. Those gentlemen had a history of driving convictions, as well as other convictions. That night—either by tacit or explicit arrangement—they decided to drive with such undue recklessness and negligence that James, who started across the pelican crossing when the cars were 100 metres away, did not stand a chance.

The car driven by Majid Malik hit James so hard that his body travelled 70 metres down the road. While he lay there, the drivers of both cars stopped. Mr Malik reversed and went back to the scene—but only, it appears, to try to retrieve his number plate, which had been wrenched off the car, along with the bumper, by the force of the impact. He then drove off, hid the car, burned his clothes and went to ground. It was only after substantial efforts by the police force that he finally turned himself in. He pleaded guilty to causing death by dangerous driving, a charge impossible to avoid because he was seen on CCTV and the car was registered to him. His friend, Kaiz Mahmood, did not plead guilty to causing death by dangerous driving. Nor did he admit to racing his car, despite the fact that his Audi A5 was so close to the vehicle that hit James that it was splashed with James’s blood.

Mahmood went to trial, where he was charged with the most serious offence of causing death by dangerous driving, a level 1 offence, which under current sentencing guidelines carries a maximum custody sentence of 14 years and a starting point of eight years. After a long and painful trial, which James’s parents had to sit through, the gentlemen each received an eight-year sentence for what they had done. It was clear from the judge’s comments that he recognised the severity of the crime and his inability to charge them with more.

Liz McInnes (Heywood and Middleton) (Lab): The hon. Lady has said that dangerous driving affects a lot of constituencies. In my constituency, a 25-year-old man was mown down in his car by a driver who ran a red light at 80 mph in a 30 mph zone. The driver split my constituent’s car in two, such was the impact. My constituent was killed outright. His parents, the Brown-Lartey family, have launched a campaign, Justice for Joseph, for their son. They also support the charity Brake’s “Roads to Justice” campaign.
Joseph Brown-Lartey’s killer was sentenced to six years, of which he will probably serve only three. When he comes out of prison at the age of 21, he will be younger than Joseph was when his life was taken away. I am really grateful to the hon. Lady for securing this debate.

Claire Perry: I appreciate the hon. Lady’s comments. Many of us have seen such cases in our constituencies. On 17 September 2015, almost a year ago, my hon. Friend the Member for Reading West (Alok Sharma) introduced a debate in which very powerful points were made, and the Government promised to act on them. I shall say more on that later.

The hon. Lady is right to point out that the tariffs are often cut. For Majid Malik and Kaiz Mahmood, the automatic tariff discount means that they will serve only four years in prison—a sentence so light that Major and Mrs Gilbey had to witness the family members of those defendants celebrating in court. They could not believe that their boys had got away with it: “They’ll be home in four years. Isn’t that fantastic?” Well, it is not fantastic for my constituents and it is not fantastic for anyone who loses a loved one to dangerous driving. They are facing a life sentence of loss.

Caroline Ansell (Eastbourne) (Con): I congratulate my hon. Friend on securing this very important debate. It is agony to hear of the suffering of the family in her constituency and the lack of justice.

The debate is also important to my home town of Eastbourne, where Maria and Richard lost their lives just last month because of dangerous driving. The driver, who was 17 times over the limit, was sentenced to six years for each life, but his sentences will run concurrently, so in all probability he will be back out in three years. The victims’ families do not seek revenge, but their question and mine is whether, if the repercussions for dangerous drivers had been made more serious and far reaching to send a much stronger message about the devastation that can be caused, they would have been spared the agony that my hon. Friend describes on behalf of her constituents.

Claire Perry: The hon. Lady raises the issue of what dangerous driving tragedies mean to families. When we read the victim statements, which I will address at the end of my speech, it is impossible not to want to do something.

I want to focus specifically on the law. I go back to what the then Secretary of State, Paul Channon, said in 1989, in introducing a series of changes to the Road Traffic Acts designed to make those who commit these crimes more accountable:

“We aim to ensure that the penalty matches the offence and that those who drive very badly are properly punished.”—[Official Report, 7 February 1989; Vol. 146, c. 801.]

That has been an aim of many Governments, and very good work has been done on it. In 2004 the Labour Government increased the maximum tariff for death by dangerous driving from 10 to 14 years. In 2011, and again in 2015, the coalition Government introduced various categories of death by dangerous driving, to ensure that deaths caused by texting while driving could be prosecuted as such.

Last year, 188 deaths were caused by dangerous driving and 201 were caused by careless driving. However, although three fifths of people sentenced were jailed, the average sentences were very short—less than four years. Brake, to which I pay tribute for all the work it does, suggests that only a third of people convicted of causing death by dangerous driving are sentenced to more than five years.

I have three matters to raise with the Minister today, and I am grateful that the Justice Secretary has agreed to meet us later this morning. First, why are these cases not tried as manslaughter? Involuntary manslaughter is “where the offender did not intend to kill or cause really serious harm but where death results from an unlawful act or from gross negligence.”

I cannot conceive how driving at up to 90 mph through a residential zone, wilfully ignoring vulnerable road users and racing a car, is not both unlawful and an exhibition of gross negligence. Indeed, I have been told by Ministers that manslaughter charges can be applied to driving offences, but that they almost never are. In fact, the Library could find only two instances of such charges having been applied.

I am no lawyer, but I know how difficult it is to change the law. No one would ever want to second-guess the decisions made by the judiciary or the guidance given by judges, but it seems perverse that, even if we cannot try more cases as manslaughter, the maximum penalty for what is clearly manslaughter cannot be increased. These men killed James Gilbey as surely as if they had thrown a knife or fired a gun down a crowded street; their weapon of choice just happened to be driving 2 tonnes of steel at 90 mph. Surely the maximum tariff for causing death by the worst kind of dangerous driving, which these defendants did, should be lifetime imprisonment. That should be the tariff with which judges and juries can start to work.

Secondly, would increasing the tariff make any difference? The sentencing guidelines are clearly not allowing judges and juries to apply the existing penalties—in this case, up to 14 years. Why is it that defendants are given automatic reductions in tariffs—I do not mean only for a guilty plea; I will come to that—for not being found to be drunk or on drugs at the scene? How would anybody know whether the defendants, one of whom had convictions for the possession of class A substances, were drunk or drugged? They fled the scene. They sped off, burned their clothes and destroyed the evidence. Why do we presume that they are innocent of those charges?

I ask for something the Government have been promising for two years: will they set a date for the review of sentencing guidelines for this particular suite of crimes? Will they look at the maximum tariff of 21 years? Of course, the Government should never be entirely swayed by public opinion, but it is hard to ignore the fact that nine out of 10 people think that crimes of this sort should be tried as manslaughter. Will they commit to a robust review of the tariffs and sentencing guidelines, in order to set a direction with which the Sentencing Council can work?

Thirdly, we would like to see an end to automatic reductions in prison tariffs for guilty pleas or, indeed, an end to the automatic 50% reduction of the sentence.
The absence of an Opposition spokesperson in this debate notwithstanding, I know that many right hon. and hon. Members will be aware of several tragic cases of road deaths in their constituencies. I hope that Members will appreciate that I will not be able to respond to all the related cases that have been raised over several years, but I shall try to respond specifically to the points that my hon. Friend made today.

As my hon. Friend said, James Gilbey was crossing the road when he was hit by a speeding motorist who was racing another car. Both drivers fled the scene. Within a few days, the driver of the vehicle that hit James handed himself in to the police. The driver of the second car was arrested later. Both were convicted of causing death by dangerous driving and sentenced to eight years in prison on 24 March. They were also banned from driving for 10 years.

In the time I have remaining, I shall try to deal with the issues that my hon. Friend has raised about this case and driving offences more generally. Quite rightly and understandably, my hon. Friend made the point that the worst cases should be dealt with as manslaughter. I understand why, in many cases, causing death by driving is thought to be equivalent to attacking someone with a weapon—my hon. Friend gave the example of someone driving at 90 mph in a residential area. Under the existing law, the Crown Prosecution Service can, and will, charge a person with manslaughter when the evidence supports that charge, it is in the public interest to do so and there is a reasonable prospect of a conviction.

Successful prosecutions have secured manslaughter convictions in driving cases, but it is worth making the general point that having everything classified as manslaughter does not necessarily guarantee a conviction. One can imagine a case in which a barrister played to the jury, asked for lower offences to be considered, and asked the jury to put themselves in the offender’s shoes. Classifying cases as manslaughter does not necessarily mean that more convictions will be secured; in fact, the reverse could be true. On top of that, a conviction would not necessarily lead to the expected sentence, because there is no mandatory minimum—it is up to the judge to decide.

Claire Perry: Would the Minister or his Department be able to tell us how many of these cases have been tried as manslaughter cases? I accept what he is saying; indeed, that is why some of the lesser offences were introduced, because there seemed to be a perception that it was harder to convict someone for causing manslaughter by motor vehicle than for other offences. However, dealing with that situation is surely a function of guidance to judges. If it is possible to start with a manslaughter charge and then have a barrister argue that, for whatever reason, the case did not fit the definition of manslaughter, then the next point could of course be to have the defendant tried for causing death by dangerous driving.

Nevertheless, if we consider the definition of unlawful manslaughter—we are not saying that these people deliberately targeted James; we are talking about people who behaved so recklessly or illegally, by breaking the speed limit, that James’s death resulted—surely that should be a starting point that the judge could consider? It seems perverse that people argue that just because a judge could not make a manslaughter charge stick, we should not start with that charge.

with the remainder served on licence. As somebody who has long been involved in justice debates, I understand that we do not want to fill up our prisons to the point at which they cannot provide anything by way of rehabilitation, and I am always sympathetic to Government attempts to divert people from custody. Nevertheless, in this case, in which a life was taken by people behaving so recklessly and callously, with such disregard for James as he lay dying on the road, it is absolutely right that a prison sentence is given.

Surely an automatic reduction in tariff for a guilty plea should be at the judiciary’s discretion. By the way, in this case, one of the guilty pleas was not offered automatically: as I mentioned, Mahmood denied causing death by racing until the very last possible minute, yet he was given the benefit of a reduction in tariff. In my view, those benefits—serving only half a sentence or getting a reduction in tariff—should be at the discretion of the judge and jury.

I want to leave the Minister with a question. We already have a suite of sentencing guidelines that claim to punish those who cause death by dangerous driving. Bearing this case in mind, though, just how dangerous does the driving have to be for a maximum tariff to be awarded? As my hon. Friend the Member for Eastbourne (Caroline Ansell) mentioned, these gentlemen will be out on licence within four years, and towards the end of their sentence they will of course be serving a stepped-down version of it. They will be on day release and in open prisons, and they will be back on the streets very soon.

My constituents, Major and Mrs Gilbey, have been given a life sentence, as have the rest of their family. They live every day with the loss of James, a man who was walking across a road, using a pedestrian crossing. A man who stood no chance once he was in the lights of those particular cars.

I can end only by reading what Major Gilbey said:

“I want my son, I want to shake his hand, hug him and chat, laugh and joke with him over a pint but I can’t. All I can do is hold and kiss the urn that holds his ashes, talk to him through that and his pictures and light his candles. That is not enough.”

I agree that it is not enough, and I think the whole House agrees. I look to the Minister urgently to repair the situation by bringing forward the sentencing guidelines, setting a date, and setting the maximum tariff to fit the crime.

Joan Ryan (in the Chair): That was very affecting. Thank you, Ms Perry.

11.15 am

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): It is a pleasure to serve under your chairmanship, Ms Ryan. I congratulate my hon. Friend. Friend the Member for Devizes (Claire Perry) on securing this debate and the passion with which she made the case on securing this chairmanship, Ms Ryan. I congratulate my hon. Friend.

My hon. Friend made today. The absence of an Opposition spokesperson in this debate notwithstanding, I know that many right hon. and hon. Members will be aware of several tragic cases of road deaths in their constituencies. I hope that Members will appreciate that I will not be able to respond to all the related cases that have been raised over several years, but I shall try to respond specifically to the points that my hon. Friend made today.

As my hon. Friend said, James Gilbey was crossing the road when he was hit by a speeding motorist who was racing another car. Both drivers fled the scene. Within a few days, the driver of the vehicle that hit James handed himself in to the police. The driver of the second car was arrested later. Both were convicted of causing death by dangerous driving and sentenced to eight years in prison on 24 March. They were also banned from driving for 10 years.

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Nevertheless, if we consider the definition of unlawful manslaughter—we are not saying that these people deliberately targeted James; we are talking about people who behaved so recklessly or illegally, by breaking the speed limit, that James’s death resulted—surely that should be a starting point that the judge could consider? It seems perverse that people argue that just because a judge could not make a manslaughter charge stick, we should not start with that charge.
Mr Gyimah: My hon. Friend makes a very good point, and I hope that I can get for her the information on the number of convictions for manslaughter shortly. However, for a manslaughter charge to be made, the prosecution needs to prove that there was some element of intent or recklessness regarding the death or injuries that were caused, or that the standard of driving was grossly negligent; in other words, exactly the situation that she is describing. However, in many driving cases, the offending behaviour—while highly irresponsible—does not necessarily include the state of mind required for a manslaughter charge to be made. That is why we have specific offences of causing death by careless or dangerous driving.

What amounts to dangerous driving is determined not by considering the driver’s state of mind or intentions, which in the context of driving are often difficult to ascertain, but by examining the nature of the driving. So what does the law do? The law sets out an objective test designed to compare the driving of the defendant in the specific circumstances of the case against what would be expected of a notional careful and competent driver. In general terms, if the court considers that the driving being considered falls far below that standard, and that it would be obvious to a competent and careful driver that that manner of driving was dangerous, then the court will find it to have been dangerous driving.

Claire Perry: Again, I know that it is always dangerous to argue, based on the specific details of a case, for a general change in the law, but how could it not be that gentlemen knowingly racing their cars at speeds of up to 90 mph through a 40 mph residential zone were not falling so far below the minimum acceptable standard of driving and that there was a serious chance of causing serious injury or death, particularly when they were approaching a pedestrian crossing? I understand that the law, in the current level 1, pays particular attention to vulnerable road users such as James, who was crossing a pelican crossing on the night he was killed.

I do not expect the Minister to rewrite the law during the debate, but it seems to me that it is very difficult to explain to Major Gilbey and Mrs Gilbey, and indeed to everybody out there, why this specific case was not a perfect example of gross negligence manslaughter. If we put a consideration of manslaughter in the sentencing code, we would give courts more opportunity to charge people with manslaughter, with the backstop of level 1 death by dangerous driving, which would establish a very strong deterrent to drivers who consider breaking the law in this way.

Mr Gyimah: My hon. Friend is absolutely right. By the way, regarding her previous point about conviction figures, I will examine the statistics and write to her about them. I will not stand here and defend someone in a case where, judging from how things have been described, it does not seem that the punishment has fitted the crime. Obviously, it is not for me to consider such cases; that is for judges to do. However, I will come on to talk about what I think is the remedy for such cases.

Our law needs to reflect that although the harm caused in homicide cases and fatal driving offences is the same—in all of these cases, someone has died—the offender’s culpability for a death may be significantly different; hence the distinction between the two types of case. However, my hon. Friend is asking a different question, which is about the specific case of James Gilbey and why the defendants in that case could not be tried for manslaughter. Shortly, I will say how we can consider such cases.

The second point that my hon. Friend raised was about sentencing and sentencing guidelines. Once someone has been charged and convicted, the sentence that they receive is, of course, a matter for our independent courts. A court decides on the sentence, having considered all the details about the case and the offender; a court is best placed to decide on a just and proportionate sentence.

In deciding what sentence should be given, the courts are also required to follow—unless it would lead to an injustice—sentencing guidelines. The duty on the courts to follow guidelines, and if the guidelines are not followed to say why, leads to greater transparency regarding the level of sentence likely to be imposed and increased consistency in sentencing practice.

To reassure my hon. Friend, I will point out that the independent Sentencing Council, which is responsible for keeping such guidelines under review, currently has in its work plan a review of the guidelines for motoring offences involving death or serious injury. A new draft guideline will be subject to full public consultation in due course.

Liz McInnes: Talking about guidelines, I wrote to the Attorney General about the lenient sentence that my constituent’s killer was given and I was told that the judge was acting within guidelines. Also, it is often said that 14 years is the maximum sentence that can be imposed in these cases, but I have not heard of any such case in which anyone has been given more than eight years. Will the Minister explain why judges are acting within guidelines but seem to set a ceiling of eight years for sentences?

Mr Gyimah: The key point here is that these guidelines are being reviewed currently, to establish why, as the hon. Lady hon. Friend contends, judges have not given sentences of more than eight years in these cases. It could be based on the evidence in a case, as the judge saw it, but all these things need to be reviewed. I will come on to talk about a remedy, because there are many different cases involving this issue and many different suggestions from people as to how we should deal with it.

For example, my hon. Friend asked why there was a reduction in sentence for an early guilty plea. That is an interesting point; applying such reductions to sentences is a long-standing practice that applies to all offences, and it has a number of benefits. A reduction in sentence is appropriate because a guilty plea removes the need for a trial, which in turn enables justice to be delivered more quickly; it reduces the gap between charging and sentencing; and, in the case of an early plea, it saves victims and witnesses from being concerned about having to give evidence.

The sentencing guidelines provide a sliding scale of reductions, depending on the point at which the guilty plea is made. The maximum reduction for a guilty plea that is made at the first reasonable opportunity is a third of the sentence that will be imposed; the recommended
reduction falls to 10% when the offender pleads guilty on the day of the trial. Also, where the case against the offender is overwhelming, the guidelines provide for discretion on the part of the judge to give a lower reduction.

My hon. Friend also made another point in this context about early release when she expressed concern that the offenders in this case will be released on licence at the halfway point in their sentence. As she will know, release on licence before the end of a sentence is not new; the current arrangements are set out in the Criminal Justice Act 2003. As a general point, when someone is released on licence there is still a hold over them; if they commit the offence again during their licence period, they will go back to prison to serve the remainder of the original sentence, in addition to the sentence that is imposed for the new offence.

In most driving cases, however, a standard determinate sentence will be imposed by the court and the 2003 Act provides that such prisoners must be released automatically on licence as soon as they have served half of their sentence. Once the offender is out on licence, then—as I have already hinted—they are subject to conditions and liable to be recalled to serve the remainder of their original sentence if they break those conditions. These arrangements apply to all determinate sentences imposed for any offence—for example, they apply to sentences for assault or theft. Consequently, any change for driving offences could result in anomalies arising for driving offences compared with other offences.

That said, different arrangements are in place for offenders serving indeterminate sentences or extended determinate sentences, and for offenders who are of particular concern. It is right that we concentrate our limited resources on ensuring that those offenders who pose a particular and ongoing risk to the public are not released before it is safe to do so, which is the rationale for the current situation.

However, my hon. Friend obviously wants a change in the current situation—she does not want to be told what the current situation is—and I am sure that it is the same for the Gilbey family and the many other families who feel that they are serving a life sentence in the current situation—she does not want to be told that the offenders in this case will be released on licence in the way of a transaction with a retailer do not exist. Instead, the retailer, which means that the traditional consumer moves towards right to access content, in-app purchases and the type of content purchased; it is also seen in where customers buy their video games. Only 22% of purchases physical copies of the games. That trend is not confined to the type of content purchased; it is also seen in where customers buy their video games. Only 22% of purchases

Online Gaming (Consumer Protection)

2.30 pm

Owen Thompson (Midlothian) (SNP): I beg to move, That this House has considered consumer protection for online gaming.

First, I probably should declare an interest as an avid gamer myself, which is largely how a number of the topics I will speak about came to my attention, initially at least. I particularly want to draw attention to the protections for children and the UK and international regulatory frameworks, and to consider whether the ever-changing industry is regulated appropriately now and whether provisions have been made to ensure that the legislation can adapt to future developments and challenges.

Gaming has changed a lot since my childhood, when I played on my Super Nintendo and Amiga 1200 and my friends’ Mega Drives. Now there is no longer a need for the consoles or games, or even the reams of wire that often came out of the back of the television. Instead, today’s gamers often find that purchasing the latest game leads to a further purchase. For example, with “Star Wars Battlefront”, gamers buy a season pass if they want to access the full content of the game and they need to spend game currency, which is often bought with real money, to ensure that their character has the best weapons, equipment and experience.

In the 2016 GameTrack survey, only 24% of respondents reported that they gamed on consoles, with 24% playing on computers, 21% on smart phones, 16% on tablets and 11% on handheld devices. The new digital age has revolutionised how we access digital content and how and where we as consumers spend. A staggering 45% of households own either an Android phone or an iPhone and the UK app market is now worth £500 million, with half of that spent on games. UK consumer spending on video games in total is increasing.

According to figures from the Entertainment Retailers Association—the ERA—the total value of consumer sales was about £2.8 million in 2015, up 10% on the year before. Critically, the ERA also found that UK consumers spent £1.899,000—67% of the total—on digital video game media, compared with just £928,000, only 33%, on physical copies of the games. That trend is not confined to the type of content purchased; it is also seen in where
the in-app purchase model now represents 76% of the revenue share of UK apps. Although it is right that we should support the growth of the business, it is also vital to support sensible measures to protect our consumers.

On the economy, 21,000 jobs are supported by the industry across the EU, with the UK taking the largest share, at 5,000. Additionally, the core UK video games sector—that is, video games supported wholly or partially in the UK—supports 12,100 full-time equivalent posts of employment, with the UK also enjoying a raft of successes in the industry. In-app development in the UK is performing well internationally, a key example being “Monument Valley” by ustwo studio. Also, “The Room 2”, produced by Fireproof Studios, was awarded the App Store iPad game of the year in Apple’s best of 2012 line-up, and “Candy Crush Saga” by King had reached 500 million installations by November 2013. When considering the performance of the UK, it is interesting to note that on revenue per download figures the UK is the best positioned country in western Europe, with a potential of $0.47 per download, making the UK more profitable than Germany, the United States and China.

The international markets are crucial to the industry, with 95% of UK games businesses exporting at least some of their products or services to overseas markets. On average, 45% of a UK games company’s turnover is generated from international sales. That becomes crucial in consumer protection, as exporters and importers become the customers, as customers agree to terms they might not expect—or indeed read—and as protections that are in place when someone walks into their local games store and makes a purchase no longer exist.

It took until 2015 to set out in legislation consumer rights regarding digital content. Although I am grateful for the progress that has been made and for the foresight with which the legislation was drafted to accommodate further developments, I fear there are already inconsistencies between the good intentions of the legislation and the markets in which consumers buy, and businesses sell, content. In some instances, transactions take place outside of any monetary transactions, but the consumer could pay dearly. With the recently launched “Pokémon GO”—a popular game that I cannot deny has sometimes seen me battling in the gyms and throwing Poké Balls around—there are some interesting terms and conditions. The data protection clause, for example, states that Niantic restricts users from bringing forward any legal action, should data holders wish to do so.

As for the legislative framework, the main legislation that directly regulates online gaming purchases is the Consumer Rights Act 2015. The Act sets out the basic rules governing how consumers buy, and businesses sell, digital content, including online gaming apps, in the UK. However, it works in terms of international agreements. For example, if an online game is purchased from outside the UK, whether UK consumer protection law or the law of the host country applies depends on the exact terms of the contract entered into by the two parties and also on the buyer’s own terms and conditions, which should stipulate which jurisdiction applies. Although such information must be given to the consumer before the contract is entered into, it is far removed from the easier days of buying a disk or a cartridge for my old Super Nintendo.

The 2015 Act came into force on 1 October 2015. Part 1 changes consumer rules on what to do if goods, services or digital content are faulty. For the first time, consumers’ statutory rights regarding digital content were set out in legislation, following calls by consumers, watchdogs and the gaming industry for such clarity over many years. For the purposes of the 2015 Act, digital content was described as “data which are produced and supplied in digital form”, which would include downloadable apps, computer games, films, e-books and computer software. However, there is another side to the consumer contract. At times we give data back and, with widely used apps such as Pokémon, loss of those data can be of little consequence to the data holder, but of huge consequence to the consumer.

Recently, WhatsApp, an app that allows people to have conversations, was at the centre of a data opt-out controversy, whereby unless consumers read a long list of technical terms and conditions, they would automatically be allowing the transfer of some data to Google. Although I and the Scottish National party support fair regulations, I find the mass collection of behavioural data unnerving at the very least.

When such data are collected from unknowing or unwitting consumers, who do not have the inclination or understanding—or, to be honest, the time—to read through long-winded terms and conditions in an agreement about the legality of court arbitration, we must look again at the legislative framework and its ability to adapt. With more and more app providers looking for access to content, and for that to be currency-as-such in a consumer contract, that should also be an essential component of legislation that seeks to protect consumers in that market.

I welcome the attempts of the Consumer Rights Act to rightly define when the legislation can and should be used. I welcome the fact that it clearly sets out that digital content will be regulated when it is “supplied for a price...supplied free with goods or services or other digital content”, or is “not generally available to consumers unless they have paid a price for it”.

To pose a question that will perhaps widen the debate further, what are we using for currency with free apps? We allow those apps to use our photos, favourite places, restaurants, credit cards and where we go and how we go about our lives—our most personal moments and sometimes our most precious. At what point do we draw a line? At what point do we consider that as being the currency for digital content?

The legislation does not yet appear to be working, even in straightforward terms. Even since the 2015 Act came into force as the flagship legislation, consumers have had issues with the most straightforward elements. For example, the games “Dead Rising 2” and “Dead Rising 2: Off the Record” caused quite a fuss among the gaming community. Users have claimed that PlayStation UK will not refund customers who believe the product to be faulty. In the run-up to today’s debate, I was contacted by a number of people who have had similar issues with the recently launched “No Man’s Sky”.

On further research, it seems that the companies’ interpretation of the Consumer Rights Act 2015 varies. A number of individuals purchased the game through
Sony PlayStation’s online platform. The game proved to be faulty, and the individuals are now trying to receive redress and money back, but Sony says that it will not do that, because under the terms and conditions the money-back option is available only if they have not yet downloaded the content. If people are purchasing content online and the only way to access it is to download it, it seems to go against the ambitions of the 2015 Act somewhat if a company’s terms and conditions immediately count that as beyond terms. That is a particular challenge when accessing a game online: to own it, people need to download it, and to download it, they need to buy it first.

Frustrated users have taken to Twitter to complain that the game crashes repeatedly and that promised features never materialised. Others claim that to request a refund, consumers are required to run through a list of troubleshooting options with a customer services representative before the case is passed over to the PlayStation investigation team, who then decide whether the case justifies a refund. That is an especially important aspect when we consider that some young children can access digital content and at times enter into binding consumer agreements that can have financial consequences for bill payers. That brings into question the ability of the current legislation to impact on that. We have several types of overlapping legislation, with different regulators. Perhaps now is the time to pool the legislation together.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. On the issue of children, does he agree that we need to ensure constant vigilance, particularly when companies package games in ways that are exceptionally attractive to young children, in particular very young children, will often not even realise what they are doing if they are playing or interacting with games? I met recently with StepChange Debt Charity in Glasgow, and it had numerous stories of parents faced with outrageous bills that they had no chance of ever affording. Their children were buying enhancements to the games without realising. Does my hon. Friend agree that as well as regulation, developers have to take some responsibility?

**Owen Thompson**: I absolutely agree. That is one of the critical aspects. I accept that steps have been taken to ensure that free apps are not necessarily advertised as free apps if there are in-game purchases, but that will not satisfy a relatively young child who simply wants to play the full content of the game they have downloaded or bought. If that requires a season pass or the purchase of additional content, it could become difficult to manage that child’s demands and expectations and to explain the terms and conditions and why they cannot have that additional content. We need to be particularly vigilant in that area.

**Patrick Grady** (Glasgow North) (SNP): I, too, congratulate my hon. Friend on securing this important debate. On the subject of children, is it not the case that young children, in particular very young children, will often not even realise what they are doing if they are playing a game and sign up for an in-app purchase or some kind of enhancement? I met recently with StepChange Debt Charity in Glasgow, and it had numerous stories of parents faced with outrageous bills that they had no chance of ever affording. Their children were buying enhancements to the games without realising. Does my hon. Friend agree that as well as regulation, developers have to take some responsibility?

**Owen Thompson**: I entirely agree with my hon. Friend. The situation he describes is familiar to me. I am aware of a number of cases where that has happened. I accept that steps have been taken and there have been improvements, but it is still possible for young children, because they are playing these games online, to rack up large bills perhaps without realising what they are doing.

To illustrate the situation further, it is worth noting that the Advertising Standards Authority, which is the UK’s independent regulator of advertising across all media, applies the advertising codes, which are written by the Committees of Advertising Practice, and those codes include acting on complaints and proactively checking media to take action against misleading, harmful or offensive advertisements, including media used to encourage children to purchase and/or downloads apps. Specifically with children in mind, the rules contained in the codes are designed to ensure that adverts addressed to, targeted directly at or featuring children do not contain anything likely to result in their physical, mental or moral harm.

The ASA states that the way in which children perceive and react to ads is influenced by their age, experience and the context in which the message is delivered. It is therefore crucial that the adverts that children see, hear and interact with do not confuse, mislead or directly exhort them to make purchases. That said, with the best will in the world, if a young person is playing a game, they want to be able to access the content. If their friends are advancing faster than they are, it is likely that, regardless of any adverts, they will want to purchase further enhancements so that they can catch up.

This issue is not a new concern. In April 2013, the Office of Fair Trading launched an investigation into the ways in which online and app-based games encourage children to make purchases. It investigated whether there was general market compliance with consumer protection law and explored whether online and app-based games included commercial practices that might be considered misleading, aggressive or otherwise unfair under the legislation. As part of that, the OFT published several publications and sent out a stark warning that the online games industry must improve in this specific area.

In January 2015, “The OFT’s Principles for online and app-based games” clarified the OFT’s view of the online and app-based games industry’s obligations under consumer protection law. The principles focus on how games are advertised to children and state that consumers should be told up front about the costs associated with a game, in-game advertising and any important information, such as whether their personal data are being shared with other parties for marketing purposes. The principles also make it clear that in-game payments are not authorised and should not be taken unless the payment account holder, such as a parent, has given his or her express informed consent. Failure to comply with the principles could risk enforcement action. In the press release that accompanied the publication of its principles, the OFT spoke of its aim to raise standards globally. It said:

“Many games are produced abroad and the OFT has been leading the global debate on these issues. By working closely with international partners, the OFT has ensured that the principles are consistent with the laws of most key jurisdictions to help to raise standards globally.”

The OFT also published guidance for parents to help to ensure that children are not pressured into making in-game purchases and to reduce the risk of their making unauthorised payments.
Scottish National Party are very concerned about the 

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CMA at that point was encouraged by 

bills from in-app purchases made by their children. The 
to prevent parents from being landed with unexpected 

games must not appear again in their current form. The 

third game was referred to the equivalent Spanish 
advertising self-regulation organisation. 

In June 2015, the CMA concluded its work monitoring 

the children’s online and app-based games market and 

referred three online games to the Advertising Standards 

Authority for investigation on the basis that they may 
have breached the UK non-broadcast advertising code, 

by directly encouraging children to buy or ask their 

parents to buy extra game features. On 26 August 2015, 

the ASA ruled that both the “Moshi Monsters” and 

“Bin Weevis” games had breached the advertising code 

by putting pressure on children to buy a membership 

subscription and stated that the adverts in each of those 
games must not appear again in their current form. The 

game is not always practical in today’s modern world, where 

recording an appointment or making a call requires an 

app.

In terms of progress, it is encouraging that the 

Competition and Markets Authority, which has taken 

over the functions of the Competition Commission and 
certain consumer functions of the OFT, has an overarching 

responsibility for monitoring the gaming app sector to 

assess its compliance with consumer protection law. 
The CMA has affirmed the OFT’s principles for online and 

app-based games guidance. However, it is important 
to note that the original text was retained unamended 

and so does not reflect or take account of developments 

in case law, legislation or practice since its original 
publication. That is a missed opportunity.

In June 2015, the CMA also published a short 

guide providing advice to parents and carers about the 
games, again prompting parents to assess purchases. It 
also released further information about progress overall. 

It stated that it had worked closely with the European 

Commission, the International Consumer Protection 

and Enforcement Network and national consumer 

protection authorities around the world and that, as a 
result, Google and Apple had made changes, in particular 
to strengthen payment authorisation settings and to ask 
games makers to stop describing games as free when 
they contain in-app purchases. Those changes are designed 
to prevent parents from being landed with unexpected 
bills from in-app purchases made by their children. The 
CMA at that point was encouraged by 

“positive changes in business practices since we started looking at 

this sector”,

but was 

“concerned that some games may directly encourage children to 

buy extra features during the game.”

Therefore, to present the Consumer Rights Act 2015 as 

legislation that can guide and help consumers and protect 
children and businesses may at this point be a little 

ambitious at best.

In noting that last point about the CMA’s work, it 
cannot go without saying that we should value the work 
of our European partners. My colleagues and I in the 
Scottish National party are very concerned about the 
effect of being taken out of the European Union, not 

only on our collaboration on issues such as consumer protection, but on the value of the world-leading video 
games industry. Gaming is one of Scotland’s many 
success stories, from creating the globally renowned 

“Grand Theft Auto” series to a whole host of other 
massive successes. There is a huge talent pool available 
that could see significant impacts as a result of the 
decision to leave the European Union. Scotland is 

internationally recognised for innovative game development 
and for its groundbreaking university courses. Clive 
Gillman, director of creative industries at Creative Scotland, 
recently said:

“Scotland’s games are played by millions all over the world—there 
is no doubt that Scotland has played a hugely significant role in 
establishing this industry as one of the leading forms of entertainment globally.”

Looking further into the future, we must address 

concerns and uncertainties about the status of European-based funding. Horizon 2020 is the European Commission’s 
largest primary funding programme for research and 

innovation, with a budget of €79 billion. It allocates 

funding through two-year work programmes administered 
by the Commission, and includes calls for tenders for 

interactive entertainment projects such as games. Creative 

Europe, administered by the European Commission, 
has a budget of €1.46 billion, of which €3.4 million has 
been set aside for the development of new video games 
with high circulation potential. In 2015, the UK was the 
largest beneficiary of that fund. I would welcome any 

clarity the Minister could provide on the likelihood of 
such funding for the games industry continuing in the 

post-Brexit environment. Concerns have also been raised 

about the validity of international licences and our 

ability to affect and be compatible with EU consumer law.

The last point I want to touch on is an incredibly 

important one. In an industry driven by talent, led by 
talent and entrepreneurs, we want to encourage a market 
supported by Government that is fair for both consumers 
and businesses. Right now, that is being put at huge 

risk, particularly in Scotland, by restrictive UK immigration 

laws and, crucially, the status of the post-study work 

visa. It is simply economic vandalism that the ability to 
travel, work and study across the EU is now at risk 

following Brexit, and it is a further lack of judgment by 

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travel, work and study across the EU is now at risk 

following Brexit, and it is a further lack of judgment by 

the Home Secretary to refuse Scotland an opportunity to 
take part in the trial of a new post-study work visa 

scheme. That is an appalling missed opportunity.

I look forward to the Minister’s response. This is a 
topic on which we could expand at endless length and I 
very much hope that progress can be made to recognise 
the ever-moving feast that we see within the games 
industry. With that, I simply say: game over.

2.55 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): 

It is a pleasure to serve under your chairmanship, 
Mr Turner. Unlike my hon. Friend the Member for 
Midlothian (Owen Thompson), I have to confess that I 
am not a gamer, but I understand the importance and 
reach of the industry and the challenges that it poses for 
us in consumer protection.

We know that online gaming has never been so 
popular or so important in terms of our leisure and our 
economy as it is now. UK consumer spend on video
games is increasing. The total value of consumer sales stood at around £2.8 million in 2015, up 10% on the year before. The direction of travel is clear: the industry will continue to grow and prosper, and the figures clearly show that video game consumers spend more on digital content than physical content.

Of particular concern is the way in which online and app-based games encourage children to make purchases. The Office of Fair Trading set out principles stating that consumers must be told up front about costs associated with a game and about in-game advertising, as well as whether important information, such as personal data, is to be shared with other parties for marketing purposes. Those principles further state that in-gaming payments are not authorised and should not be taken unless the payment account holder, such as a parent, has given express and informed consent. Those words are very important. Failure to comply with the principles can lead to enforcement action.

Guidance for parents is also set out to help ensure that children are not pressured into making in-game purchases, thus reducing the risk of their making unauthorised payments. Despite those principles and precautions, the Competition and Markets Authority, following its monitoring of the children's online and app-based games market, had cause to refer three online games to the Advertising Standards Authority for investigation on the basis that the advertising code may have been breached by directly encouraging children to buy or ask their parents to buy extra game features. In August last year, two games were found to have breached the advertising code by putting pressure on children to buy a membership subscription. The ASA ruled that the adverts in those games must not appear again in their current form and that tells us that monitoring must continue to be close and careful.

The OFT noted that it is imperative that the games do not pressure children to purchase and that “exploiting children's inexperience, vulnerability and credulity, including by aggressive commercial practices” is simply not acceptable. Increasingly, the gaming industry is moving towards the right to access content, in-app purchases and other downloadable content, so we need to continue to be mindful of enshrining the protection of consumers in law. The video games sector has changed almost beyond recognition, and it is important that the law keeps pace with the innovation and creativity in the industry and how it interacts with consumers. All sensible and practicable measures to protect consumers must be put in place and kept under review by the UK Government in this fast-moving and developing field of technology. The SNP Government will use new, albeit limited, and our ability to affect and be compatible with EU business environment possible to allow the industry to continue to thrive.

The funding for this industry, international licences and our ability to affect and be compatible with EU consumer law look uncertain, and the abolition of the post-study work visa, which my hon. Friend mentioned, poses particular challenges for the industry in the post-Brexit era. I will not spend much time on that because my hon. Friend articulated those concerns extremely clearly.

Consumer protection can be challenging in this industry largely, but not exclusively, because of the sheer speed of innovation. We must all be mindful of consumer protection and keep a close eye on it. Consumers must be protected from harm while being empowered to make good, positive choices. That is the environment we need to create for consumers of online games. I am interested to hear what the Minister has to say about the UK Government’s plans to ensure that there is sufficient monitoring. We must strike the correct balance for this thriving industry.

3 pm

Richard Arkless (Dumfries and Galloway) (SNP): It is a pleasure to serve under your chairmanship, Mr Turner. I rise to sum up on behalf of the SNP, but given the attendance in the Chamber, it may be a brief experience. I am disappointed that there are not more Members here so I can draw on their speeches in summing up.

I congratulate my hon. Friend the Member for Midlothian (Owen Thompson) on securing this very pertinent debate. I have got five and six-year-old children at home, and if there were something within consumer legislation that would let me do something about Stampy Cat’s voice ringing out from my iPad at 9 o’clock at night, I would be very grateful. That is something intrinsically linked to “Minecraft” and “Grand Theft Auto”, both of which, I am proud to say, were made in Scotland.

I was struck by my hon. Friend’s historical tour of how digital games have improved over the ages. I am of a certain vintage and can remember my VIC-20 as a Christmas present and my Spectrum 48, which graduated to a 48-plus. It had a tape that took 45 minutes to load the most basic games, but I thought it was the most incredibly modern and chic thing I had ever had in my life. I was surprised at the comment that only—I say only—45% of households in the UK have a smartphone. People clearly have challenges affording smartphones, but it seems to me that, if not everyone, most people in society have them. I am sure that figure will increase exponentially.

I am a lawyer and the chair of the all-party parliamentary group on consumer protection, and I was very taken by some of the problems with the terms and conditions. There is tension between making the terms in consumer contracts fair and putting them in the terms and conditions. Companies perhaps do not have the opportunity to make people explicitly aware of them as they go through the transaction process, but that still does not mean it is right. As a lawyer, I found the idea that in the terms and conditions one can be prevented from taking legal action based on the contract, and the fact that there is no money-back option if the games are not downloaded, to be baffling in the extreme. To my relatively trained legal eye, there was legislation in place before the Consumer Rights Act 2015. The unfair terms in consumer contracts legislation clearly states that if terms in a consumer contract create imbalances between the parties in favour of the bigger party, they can be deemed unfair contract terms.

Although the 2015 Act consolidated some of those principles, there was legislation already in place, which signals to me that enforcement is the problem. If consumers’ rights are clearly codified, and for whatever reason they cannot bring their grievances to a place where they can be fixed, enforcement is the problem. I am interested to hear what the Minister has to say about that. In basic contract law there has to be consensus ad idem—
a meeting of the minds. That is the most fundamental, basic principle of a contract. If kids in particular are buying online games without that meeting of the minds, I suggest that there is not even a contractual position to fall back on. Enforcement needs to be looked at carefully, and the protection of kids should be uppermost in everyone’s minds.

I will not take up much more of your time, Mr Turner. I echo the comments of my hon. Friends the Members for Midlothian and for North Ayrshire and Arran (Patricia Gibson). My hon. Friend the Member for Midlothian made a detailed case, and I would be grateful if the Minister can respond in similar detail. I do not expect him to respond to this, but we are all concerned in Scotland that, having voted to remain in the European Union, we are now going to be leaving the European Union, and that the protections that we want as a society are dropping off the edge of a cliff.

3.5 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to serve under your chairmanship again, Mr Turner. I must explain to the hon. Member for Midlothian (Owen Thompson) on securing this debate. He emphasised the value that online gaming brings to our economy and to people’s lives, and he raised concerns to be put to the Minister. Those concerns are shared across the House, and have been raised in questions to Ministers in recent weeks. My hon. Friend the Member for Redcar (Anna Turley) expressed her concern that “Pokémon GO” players are behaving disrespectfully on religious sites and in cemeteries, and my hon. Friend the Member for Huddersfield (Mr Sheerman) asked what the Government are doing to protect children from in-game selling and promotions when playing games online.

I have no personal experience of online gaming; it is a subculture that involves many thousands of our constituents, although, sadly, not me—I have many other obsessions, but not that particular one. However, I am concerned about protecting our constituents from unscrupulous commercial practices. People, especially children, must not be put in danger by online gaming. Stories of car drivers gaming while at the wheel are alarming and must surely be addressed by stronger punitive legislation and enforcement.

I have seen many people still using their handheld mobile phones while driving, but watching a screen and playing an online game while driving is of a different order and has to be dealt with seriously. That means, of course, that our police need to be ever-watchful and ready to take action in such situations. Recent cuts to police funding have seriously reduced police capability, especially for such offending. Laws must be strict and enforced, and proper prosecutions must be made to ensure that those abuses and the range of offences to which the hon. Member for Midlothian referred are prevented.

On a separate theme, I have long been concerned about obsessive, compulsive and addictive behaviours, and I have raised such matters in Parliament on a number of occasions. Alcohol and drugs are the most high-profile problems, but successive Governments have failed to address them and in some cases have exacerbated them with their actions and inaction. Online compulsions are a more modern phenomenon, and online gambling is now a major contributor to the terrible damage caused to lives and families.

It seems that online gaming has a compulsive and obsessive component, at least for a minority of players, which can be dangerous to the participants and others. Most worryingly, it is sometimes vulnerable people who are most at risk, as recent evidence shows. It is too soon for the Government to take a close look at addictions, obsessions and compulsive behaviour, at who is affected and at what personal, social and economic damage they give rise to. They must take effective action to counter those dangers. I look forward to hearing what the Minister has to say.

3.8 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): It is a pleasure to serve under your chairmanship again, Mr Turner. I am grateful to the hon. Member for Midlothian (Owen Thompson) for securing this very important debate on consumer protection and online gaming. His gaming experience is clearly of enormous assistance to his day job, and I welcome his expertise. Our shared objective is to ensure that those who buy and play video games are properly protected. I hope I can answer most, if not all, of the questions he put to me.

I want to start by talking about the enormous value that the video games sector has for our economy, including the Scottish economy. “Grand Theft Auto”, “Lemmings” and some of the other games that the hon. Gentleman mentioned are among the most successful games anywhere in the world. We are extremely pleased to see strong clusters of games development studios in places such as Dundee and Edinburgh, and we will continue to help to support growth through the UK-wide video games tax relief and our UK games fund. Importantly for the Scottish economy, I note that “Grand Theft Auto V”, developed in Edinburgh, was the fastest growing entertainment product of all time. That is an incredible achievement for the people in Scotland who developed that game.

Government statistics published earlier this year show that the creative industries now contribute a staggering £84 billion a year to our economy; that is almost £10 million every hour. We are very proud of our video games industry, which plays a big role in that success, not only in Scotland but throughout the UK, blending the best of British technology and creativity. All around the UK, from Edinburgh down to Brighton, we have world class games creators producing games that are exported all over the globe, and we are working hard to build on that.

Our video games tax relief, for example, is boosting production, creating cultural content and jobs, and benefiting the UK’s overall economy. The Government have paid out some £45 million in video games tax relief since 2014, which supported £417 million of new investment in the UK by games companies, clearly making a big impact.
Video games are popular with UK consumers, not just with the hon. Member for Midlothian. In 2015, the UK games market was worth some £4 billion. That includes £664 million on mobile gaming, up 21% from the previous year. It is important that UK consumers can have confidence in their video games purchasing. They should be clear about what they are buying and what their rights are. It is important that consumers have the information they need about video games content, particularly to ensure that children are not exposed to age-inappropriate material.

The hon. Member for Midlothian asked about monetary exchange and for consumer protection rules to apply. He is right that the statutory rights set out in the Consumer Rights Act 2015 do not currently cover content provided in exchange for data rather than money. However, the Government are keeping that under review, so I hope that offers some reassurance.

New types of games technology and content will continue to push boundaries. It is vital that new business models and features are allowed to develop and flourish. Meanwhile, video games developers and publishers must take their responsibilities towards consumers seriously.

We have taken action, as has been pointed out, to improve consumer protection. For example, last year we strengthened the rights of consumers through the Consumer Rights Act, setting a simple modern framework for consumer protection. This means that for the first time consumers have rights when they buy digital content, including online video games. If a video game does not conform to the contract, a consumer can get a replacement or a repair, or they can get a price reduction or their money back if that is not possible, although that is subject to my earlier comments about what is actually purchased.

The Consumer Rights Act also restricts the use of unfair terms in consumer contracts. An unfair term is defined as one which, “contrary to the requirement of good faith...causes a significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer.”

That could include unfair restrictions on consumer rights or business liabilities. A term that takes away the user’s right to file a lawsuit in his or her home country might be deemed unfair in this way. In any event, under EU law, an EU consumer would often be permitted to bring a claim against a trader in the consumer’s home country, regardless of what is stated in the contract itself. If a court decides a term is unfair, it will not be binding on the consumer, and we have recently been looking more closely at the issue of terms and conditions.

We know that many people do not look at terms and conditions and may miss important information. The Government are exploring ways in which they could be made more user-friendly for consumers. We want businesses and consumers to understand each other better and improve behaviours. Earlier this year the Government launched a call for evidence on this theme, and we are now analysing the submissions that were received. We plan to publish the responses in due course.

There has also been valuable work in relation to in-app and in-game purchasing. The Government welcomed the work done by the Office of Fair Trading, now the Competition and Markets Authority, to set out very clearly the legal responsibilities for businesses in this area.

The OFT guidance subsequently published for businesses, “Principles for online and app-based games”, is an invaluable aid for games publishers. The CMA also published helpful guidance for parents telling them about what they can do to prevent unexpected in-app purchases by their children—for example, by disabling in-app purchasing functions on mobile devices.

I should also like to highlight the positive response of the industry to the CMA’s initiative. Many video games companies worked closely with the CMA on the production of the guidance and have worked hard to promote it within the sector.

We recognise that there have been significant advances in digital technology and the gaming industry since the Data Protection Act 1998 came into force nearly 20 years ago. The Government are reviewing the current regulatory framework to ensure it is fit for purpose for the digital age, while providing suitable data subject rights. The Information Commissioner is the UK’s independent authority responsible for administering and enforcing information rights, providing guidance and advice to individuals and organisations on, among other things, privacy considerations for application developers.

The Information Commissioner has a number of tools at his or her disposal to take action against those who breach the legislation. Powers include the ability to conduct audits, serve enforcement notices and impose civil monetary penalties of up to £500,000.

The hon. Member for Midlothian asked me about children’s safety. I want to stress the Government’s commitment to help ensure that younger consumers are protected from harmful content. We have a robust age rating and labelling regime for video games sold in physical formats such as on discs—or “boxed products”, as they are known in the trade. All such games must by law carry an appropriate PEGI age rating if they are unsuitable for younger children. It is an offence to sell a PEGI 12, 16 or 18 rated boxed product to anyone not old enough.

PEGI ratings are well recognised in the UK and across Europe. They give consumers, particularly parents, the information they need to manage content choices for children. For protecting children from inappropriate material in online and mobile games, which is a global market, the focus is on self-regulation by games developers, publishers and platforms. We welcome the age ratings and other content advice that games developers and publishers are increasingly now adding to online and mobile video games. That includes the international age rating coalition initiative, which has, for example, led to PEGI ratings now being applied to all apps and games supplied through Android-powered devices and through Windows Store.

“Pokémon GO” has been a phenomenon all over the world. It is enjoyed by many in the UK, and most people act responsibly while playing. I have come across people playing “Pokémon GO” when I have been out walking the dog. Indeed, my daughter managed to get me to catch a Pokémon, who I believe was called Fire Fang. There are lots of exotic names in the “Pokémon GO” sets if anyone wants to have a look. It is important that players abide by the law and respect their surroundings.

I understand that during the summer “Pokémon GO”’s developers, Niantic, added some new warnings to the game’s loading screen—for example, reminding...
players not to trespass and not to enter dangerous areas. Officials have contacted the game's developers to discuss features of “Pokémon GO” and the advice they provide to consumers in the UK.

This is a complex landscape, as the hon. Member for Midlothian explained, but I believe we are doing good work to protect legitimate businesses, to enable innovation to happen, and to keep consumers confident and safe. I assure all hon. Members that we will not be complacent. We will continue to work together with the industry to adapt the landscape as the video games market inevitably continues to develop, possibly in ways we cannot yet imagine.

3.20 pm

Owen Thompson: I will be relatively brief. I thank hon. Members for their contributions this afternoon. This is a very important issue. It is critical that we keep on top of what is an ever-moving feast and adapt to the changes as they come, including those that, as the Minister said, we may not even be able to predict yet.

I am encouraged by the Government's response, which demonstrates that there is no complacency. I welcome that, and I think all hon. Members will be reassured by the steps that have been taken to continue monitoring and look forward. Since I became an MP, I have not been able to game quite as much as I might like to, or as much as I was used to, but if the Minister keeps at it, he might capture a Pikachu one of these days and become a Pokémon master.

Question put and agreed to.

Resolved,

That this House has considered consumer protection for online gaming.

3.22 pm

Sitting suspended.
The post office and WHSmith staff who have dealt with me on this issue have been courteous throughout, both with me and with those I represent, but they cannot change the fact that the decision is fundamentally wrong. We have gone through a process that has been called a “consultation”. I was notified at the beginning of the summer that the move was going to take place and asked if I wanted to make any representations, which I did in writing as well as by meeting with representatives of the Post Office to express my strong disquiet that the premises was being moved to a first floor. Notwithstanding the strong views I expressed, I received no indication whatever that there would be any change of view.

I was also contacted by a number of my constituents through our excellent local voluntary organisation—the Association of Voluntary Organisations in Wrexham. I met with the disability access group in Wrexham and we discussed our concerns about the move. AVOW runs a Shopmobility project within Wrexham and has a number of clients that regularly use Shopmobility scooters to facilitate access within Wrexham town centre. These Shopmobility scooters can be quite bulky on occasion and are often used by some of the most disabled members of our society. There was particular concern about moving around the store using scooters and the accessibility of the lift to get to the post office.

We arranged a site visit to the post office with the disability access group and, again, the post office and WHSmith staff were very helpful in organising the visit and were helpful and courteous throughout. I attended the store before the new post office premises opened with one of my constituents who uses a wheelchair, two other constituents who were using Shopmobility scooters and a number of other disabled constituents. We negotiated our way through the ground floor of the store to gain access to the lift and, one by one, the constituents were able to go into the lift—only one could go in at a time—and go up to the first floor to inspect the post office premises.

It was difficult for a number of my constituents to negotiate their way through the store downstairs to get to the lift, which is not very large and can hold only one person. Frankly, I was ashamed when I went to the store and saw how difficult it was for the individuals concerned to gain access to the post office. This is a post office that has always been on the ground floor in Wrexham town centre and has been moved by the Post Office, presumably for commercial reasons, to its new premises.

Within Wrexham town centre, like many other town centres nowadays, there are a number of empty ground floor premises. The previous post office premises and the current one are only 150 to 200 metres apart, and a number of ground floor premises are available for use as a post office, but that has been rejected by the Post Office.

Chris Evans (Islwyn) (Lab/Co-op): I apologise for coming late to the debate, Mr Hollobone; I was held up a little bit. My hon. Friend from Wrexham raises a pertinent point. In Pontllanfraith in my constituency we are losing our post office: a campaign has been set up by councillors Gez Kirby, Mike Adams and Colin Gordon and it has attracted over 300 names. The real issue we have is that there is a lack of commercial help from the Post Office. When the sub-postmaster finds that business is slow, the Post Office needs to come in and give ideas on how to improve the business. Another post office in the constituency has come to tell us that it is having serious problems. Having seen the post office move to a first floor in Wrexham, does my hon. Friend recognise that the post offices perhaps need to take a more commercial approach to their business?

Ian C. Lucas: I would like the post office in Wrexham, as a public institution, to contribute to the local economy. It is a Crown post office in Wrexham, and it is the main post office. In fact, it is now the only post office in the town centre of Wrexham, which is the largest town in Wales. The post office is taking business rates away from the local economy, because it has gone upstairs into another store that is already occupied by a WHSmith and is not paying business rates on a separate premises. So less income is coming into the town as a result of this decision. Furthermore, it is treating disabled people with a lack of respect by insisting that they go to a first-floor premises to avail themselves of services that we all take for granted.

There are relevant pieces of legislation relating to disability. I have no doubt that this particular example is legal, but there is no doubt either—that these arrangements are much more difficult for disabled people than those that existed previously. I felt so ashamed when I went on the site inspection that we have a post office in this day and age insisting, for its own commercial reasons, on moving the premises to the first floor when ground-floor premises are available in other parts of the town. That is disrespectful to disabled people and not something that any Government organisation should be doing in this day and age.

I have made that position very clear to the Post Office, and I am pleased that the Minister for Disabled People has made clear her view that post office premises should be on the ground floor. I find it extraordinary that I even have to say that. It comes to something when a commercial decision of that type is made in a society where we should be treating all our constituents and all the people we represent with equal respect. I know that the Post Office is considering shifting various post offices to first-floor premises in other parts of the country, for commercial reasons. It is very important that a strong message is sent to the Post Office that it is not acceptable so to do.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): I congratulate my hon. Friend on securing this important debate. I face similar concerns in my constituency about proposals to move the location of post offices. Does my hon. Friend agree that it is essential that the Post Office pays due notice to the consultation process? It is imperative also that the views of local communities in these situations are taken on board and not disregarded.

Ian C. Lucas: Indeed. There is no doubt that my constituents, particularly those who are disabled, feel very strongly about this issue. They have visited the post office on a number of occasions to make clear their views. They have: put forward the protestations I have put forward, and I will continue to put them forward, because I want the post office in Wrexham back on the ground floor. I also want the Post Office to
[Ian C. Lucas] give a commitment that it will not allow post office premises to be constructed on the first floor when ground-floor premises are available.

I am ashamed that I have to make those points to the Post Office; it should be using ground floor premises in any event. I hope that the Minister will be able to give me the assurance that I want to relay to my disabled constituents—that they will be treated with equal respect, despite the fact that they are disabled.

4.14 pm

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): It is a pleasure to serve under your chairmanship, Mr Hollobone, on this very warm September day. May I pay tribute to the hon. Member for Wrexham (Ian C. Lucas) for securing this debate? This is an important issue that affects all of us in Wales and in other parts of the country. We all recognise that post offices are an important part of civic life and provide a service that is invaluable to many of our constituents. May I also pay tribute to him for not being partisan in his opening comments? He acknowledged not only a rebellion between 2001 and 2010, when a significant number of post offices were closed, but that the reduction was unfortunate—and, indeed, possibly a mistake.

From a general perspective, it is important to point out that there has been significant stability in the post office network throughout the United Kingdom since 2010. This Government have committed to have 11,500 post offices within the post office network—a figure that has been maintained—with an investment of some £2 billion between 2010 and 2020. That is a significant public investment in the post office network. Wales has seen a slight decline of some 4% in post office numbers since 2010, compared with a decline of 34% between 2001 and 2010.

In general terms, the aspiration to protect the post office network is something on which this Government and the previous coalition Government have come up to the plate and delivered. I believe that the aspiration to carry on protecting the network in a Welsh and UK context is shared by Members on both sides of the Chamber today. The overall picture is one of significant investment and, it should be stated, one of a reduction in the subsidy required to maintain that network.

Chris Evans: I hear what the Minister is saying, and it is good news that we all share the same aspiration to save post offices where we can. When postmasters come to me and say that their post office is under threat, the major issue is business rates. Have the Government looked at any ways of reducing business rates specifically for post offices?

Guto Bebb: Clearly, business rates will vary from business to business, depending upon the area. Certainly business rates are an issue for many small businesses in the Welsh context, and the Wales Office is very happy to raise with the Welsh Government the need to ensure that we have a structure in place that is beneficial to small businesses.

There is a commitment to protect community post offices and, indeed, to invest in modernising them to ensure that they provide a service for local communities.

It is worth pointing out that where community post offices are lost, they are quite often replaced by a mobile service. In my constituency of Aberconwy, a number of rural villages are now served by a mobile post office service.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I will make only a brief intervention, as I know the Minister will want to answer the points raised by the hon. Member for Wrexham (Ian C. Lucas). In relation to the recent reforms, one issue that has arisen is the designation of sub-post offices, especially in some rural communities. For instance, we have a fantastic post office in Llangadog, but it has lost its community post office status, which means a loss of around £8,000 a year in grant. It has been designated a post office local because there is another shop in the village that could offer different services. The Post Office is playing businesses off against one another. Does the Minister agree that it is time we had a look at that and worked to strengthen those community post offices, giving them the support they need to expand the services they offer?

Guto Bebb: The hon. Gentleman raises an interesting point. It is difficult for me to comment on the particular situation in the village he mentioned, but in terms of the overall picture, the commitment to community post offices has been strong. For example, where a community post office is transferred to new ownership, the community status is maintained. I am more than happy to take representations in written format in relation to the particular village in question, but it is difficult for me to comment at this point in time.

Out of courtesy to the hon. Member for Wrexham, I should say that, although this is a debate about post offices in Wales, his comments were primarily about disability access in Wrexham. I understand the situation there. I was in Wrexham last Friday morning, speaking to a business professionals group, and Wrexham is in a very interesting situation. It is a thriving town in many ways, but there have been a number of retail developments in parts of Wrexham that have changed the centre of gravity on the high street.

I know Wrexham fairly well, having been born in the vicinity a long time ago. The changes on Wrexham high street are a concern to the hon. Gentleman; I fully appreciate that. I am also well aware, from reading the north Wales papers that he has highlighted, of the number of empty premises in Wrexham. It is important to note that the post office in Wrexham remains a Crown post office. Unlike the many agreements with WHSmith, the post office is run by Post Office members of staff. It is hosted by WHSmith but remains an independent Crown post office.

The hon. Gentleman’s summary of how the public consultation took place is similar to that provided by my officials. There was a six-week consultation period, which is par for the course when there is a possibility of moving a Crown post office to new premises. There must be a plan in place for accessibility. I understand that fewer than 10% of such moves have resulted in a post office facility being on the first floor, but the hon. Gentleman said that any such move is unacceptable.

It is important to note that the Post Office works within its own guidelines. That ensures that there is an assessment of accessibility, and I am more than happy
to share those guidelines with the hon. Gentleman if that would be helpful. In addition to following the guidelines, it is necessary to consult and to ensure that people with disabilities have an opportunity to see whether the facilities work, and I understand that the hon. Gentleman attended when that opportunity was afforded. He highlighted that he felt ashamed of what he saw. I am surprised that that disappointment was not reflected in the consultation process. His concerns were not fed back in the wider consultation process.

The question of whether there should ever be a post office on a first floor has been highlighted, and the accessibility issue includes accessibility in terms of the law and the guidelines. The Post Office assures me that on both counts that is the situation in Wrexham. I take fully on board the comments of the hon. Gentleman, but highlight the fact that the process has been followed in accordance with the Post Office’s guidelines and ensuring accessibility. The hon. Gentleman is clearly of the view that that is unacceptable, but his comments have been heard by the Post Office today.

Ian C. Lucas: I objected to the proposal. I visited the store the day before the post office was to open, which was after the decision had been made. Only at that point did I see what the arrangements were because they had not been constructed at the time of my initial objection. That is when I was ashamed of what I saw. It was the first time I had seen them.

Guto Bebb: I am grateful for that clarity and, again, I have no doubt that the hon. Gentleman’s comments will be noted.

I understand that since the post office relocated on 18 August, seven customer satisfaction feedback forms have been completed. All have been positive and, again, this issue has not been raised. In addition, it is worth pointing out that the early indications are that footfall at the new post office in Wrexham has increased and customer usage of the facility has increased. I stress that it has been open for only a month and I fully understand that these are early days. The hon. Gentleman still has his concerns but the initial feedback seems to be constructive and positive. I am not in any way ignoring the real concerns that he has raised, but the initial feedback seems to be quite positive.

I should highlight the fact that there is an alternative option in the post office in Wrexham; if someone is unable to access to the first floor facilities, there is a portable till point on the ground floor. That service is made available when any post office counter is on the first floor. I understand that during the month the post office has been operating from WHSmith in Wrexham, that portable facility has not been used, but it would be manned by post office counter staff from upstairs, not by anyone working for WHSmith downstairs. The service would be equivalent to that available upstairs, as would the training required.

It is important to have debates on situations such as that in Wrexham. It is crucial that a service provided to the general public and our electors by the Government with taxpayers’ support is debated in Westminster. We all have our concerns when we hear of post offices being relocated. I had a similar situation in the summer when the Crown post office in Llandudno was relocated to WHSmith, but on the ground floor.

I think I am right in saying that the main concern in Wrexham is not whether the service is of equivalent value or whether the same service is available. The real concern is accessibility. All I can offer the hon. Gentleman is my assurance that the Post Office has operated under its own guidelines and within the law. However, this opportunity to express some of his concerns and those raised by some of his constituents is the right use of this Chamber and ensures that the Post Office hears these concerns.

I turn to other comments that have been made. I emphasise that in general the Post Office is a success story in the Welsh context. We have an obligation to ensure that those services continue at a level that ensures that the needs of people in all parts of Wales are dealt with. It is worth pointing out that 90% of the post offices in Wales that are eligible for the modernisation programme have been through that process. That is a high and positive percentage. There are individual cases that cause concern to Members, but it is fair to say that the overall position is positive and we should be proud of it.

In addition, we should acknowledge the significant work that the Post Office has done to ensure that the provision of services is as good as it has been during a period when the subsidy paid by the Government has reduced considerably. We have a leaner, more efficient and more effective Post Office, yet there has been only a very small fall in the number of post offices operating in Wales since 2010.

I can offer no significant assurance to the hon. Gentleman about the situation in Wrexham, but I am sure we can share the Post Office guidelines with him. He can then discuss the provision in Wrexham and communicate the basis on which the process was undertaken to his constituents who are interested, and in some cases distressed, by the changes.

4.27 pm
Sitting suspended.
**Funding for the Arts**

4.30 pm

Mr Edward Vaizey (Wantage) (Con): It is a great pleasure to appear under your chairmanship, Mr Hollobone. In fact, it is the first time in six years that I have appeared in order to propose a motion in Westminster Hall, so you can put that on your already extremely distinguished CV. It is also a great pleasure to talk about the arts, which has been a passion of mine all my life and has been—

Mr Philip Hollobone (in the Chair): Order. The right hon. Gentleman actually has to move the motion.

Mr Vaizey: I am already moved, but I will move the actual motion. I beg to move,

That this House has considered funding for the arts.

Thank you for pointing that out, Mr Hollobone, and emphasising how out of touch and rusty I am at speaking from the Back Benches.

John Nicolson (East Dunbartonshire) (SNP): Hear, hear.

Mr Vaizey: I am glad to have the support of the Scottish National party on that issue, as I do on so many others. It is worth pointing out, with the very distinguished spokesman for the SNP, the hon. Member for East Dunbartonshire (John Nicolson), here, that broadly speaking I will be talking about funding in England. No doubt the SNP spokesman can talk about funding in Scotland and he will tell a great tale that the Minister will rightly treat with some scepticism; he will point out that the Scottish story is not as great as the SNP would make out.

Anyway, back to England. I was lucky enough to serve as the Minister responsible for the arts for six years, until I left the Government in July. I warmly welcome the new Minister to his position and want to tell him that he need have no worry about my being a backseat driver. I am not planning to leave Parliament to give him the space that he needs to develop his position, but I am certainly not planning to second-guess what he does in his new role. I know already how talented he is, but those of us who leave Government do not have the chance to make a resignation speech, so perhaps I can treat this motion as a review of some of the things that I did as an Arts Minister and explain why I think there is an opportunity to increase Government funding for the arts.

The arts in England in particular, but also in the UK as a whole, have always relied on what is known as the mixed economy. We are relatively unique and very lucky, as a whole, have always relied on what is known as the mixed economy. We are relatively unique and very lucky, in most continental European countries and below the European average. I think the Government ought to look at that.

Mr Vaizey: I will take that point when I come to address the levels of actual Government funding. I was talking about the mixed economy and pointing out that arts and heritage organisations have responded brilliantly, by not only raising private money from donors, but raising what is in effect commercial income from ticket sales, sponsorship and the like. In fact, for most successful arts and heritage organisations, Government funding is only a small proportion of their overall funding. Having said that, I believe that Government funding is vital. It is vital in providing core funding support for many of our most popular and successful arts organisations, as well as smaller arts organisations all over England. It is also vital in attracting additional money. A grant from the Government, Arts Council England or the Heritage Lottery Fund is a great vote of confidence that ends up acting as a catalyst for attracting private sponsorship and commercial funding as well.

We are very lucky in this country to have not only the mixed economy, but very talented arts and heritage leaders. I pay tribute to the people I worked with at the Arts Council: people such as Liz Forgan and Peter Bazalgette as chairmen of the Arts Council and Alan Davey and Darren Henley as chief executives. I am incredibly pleased to see that Sir Nicholas Serota is taking over from Peter Bazalgette as the new chairman of the Arts Council. Again, that is a great vote of confidence in the condition of the arts today.

When we came into government, we did have to impose cuts on the Arts Council, but in my view those cuts were misinterpreted. We kept to a minimum the cuts in money that actually went to arts organisations through grant in aid. We did stop some very expensive programmes and reduce the overall bureaucracy of the Arts Council, but the money going to arts organisations was reduced by far less. The amount of money going to arts organisations through the national lottery was increased significantly, by hundreds of millions of pounds.

It is also worth pointing out that in the last couple of years the then Chancellor of the Exchequer, my right hon. Friend the Member for Tatton (Mr Osborne), began to introduce tax breaks for arts organisations. I understand that the theatre tax break, for example, is now worth some £25 million to theatres in England. The orchestra tax break, which is just coming into play, will no doubt have a similar impact, and I know that the Government are taking forward plans for an exhibitions tax break as well.

Nevertheless, there have been cuts. The point I wanted to make was that the arts organisations that have had to deal with those funding reductions—as with many other sectors, covering every part of Government, that have had to deal with funding reductions—have responded brilliantly.

In my opinion, the heritage industry has perhaps been treated rather worse, because it suffered cuts under the last Labour Government and we did not protect it additionally when we came into office. The overall grant for English Heritage, now known as Historic England, has been significantly reduced, curtailing its ability to carry out vital heritage regulation. Nevertheless, the new model that the Government have put in place,
putting the historic buildings and monuments that English Heritage was responsible for into a separate charity, along with a very generous capital endowment, will matter, make a big difference. I pay tribute to my chairman, Simon Thurley, who led English Heritage for much of my time as a Minister, and to the current chairman, Laurie Magnus, who has done a brilliant job in making that split happen and providing a confident future for heritage.

Nevertheless, heritage funding is not as high as it could be. There have been individual programmes that have made a difference. As a Minister, I tried to go to the then Chancellor with individual programmes to draw in additional funding and I was successful—for example, with the capital programme for cathedrals. I should say, of course, that heritage did benefit from, again, a significant uplift in lottery funding, which has made a massive difference, because obviously heritage projects require a lot of capital funding in order to fund improvements.

Then we come to our wonderful national museums. They are national, serving all parts of the United Kingdom, but they, too, have seen a significant reduction in funding, while all the time maintaining free access to the national collections. Again, they have responded magnificently. I cannot think of a set of national museums anywhere in the world that have the prestige that ours do. They have seen their visitor numbers increase successfully. Take a museum such as the British Museum or Tate. These are world-leading museums, attracting millions of visitors every year and highly regarded throughout the world. It would take too long to list all the incredibly distinguished directors whom I was lucky enough to work with, many of whom continue to run our national museums, but again, if people want to see an example of a sector that has responded brilliantly to straitened financial circumstances, I think our national museums represent that.

The arts are resilient. The value of the contribution of arts and culture to our economy has increased by one third. They have increased the revenue that they earn, they have increased the money that they bring in through philanthropy, and they make ever more impacts in other parts of life, whether through cultural diplomacy—our calling card around the world—or impacts on health, the criminal justice system or education. The arts and our heritage sectors deserve support. There was—I do not think that I am underestimating—an outpouring of joy from the arts and heritage sector at the last spending review in November 2015 when the then Chancellor announced that he was not going to make any cuts at all to the arts and heritage. That is the position we had arrived at. It was not just that he was not going to make any cuts; it was the way he put his position in his statement. He said:

“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.]

He also said that

“deep cuts... are a false economy.”—[Official Report, 25 November 2015; Vol. 602, c. 1368.]

I agree with him and am glad that in that last settlement the then Chancellor recognised—as I think the arts and heritage sector took his meaning to be—that we had come, as it were, to the floor of where we were going to come to.

**Kelvin Hopkins:** Briefly, I strongly support what the right hon. Gentleman is saying. In the last few days, he may have seen a television programme about Cambodia. They are trying to revive their culture after the terrible predations of Pol Pot and his people, and their simple slogan is “No culture, no nation”. Culture is how we define ourselves and it is absolutely vital that it is preserved.

**Mr Vaizey:** That is so true and that is why I am so pleased that this Government also brought into being the cultural protection fund—£30 million of funding that is available to preserve the culture and heritage of other nations. In fact, all told, if we add the individual programmes to the core funding of heritage, museums and arts, we have a fantastic story to tell, both in the financial support of the arts and heritage, and in the range of programmes that this Government have supported.

Local authority funding is always a huge issue. I have to say that I am more robust on this than I am on other issues. Local councillors are elected by local people and they have the freedom to spend their taxpayers’ money as they see fit. I do not support statutory funding or statutory requirements for culture in a local area. I think that wise local councils should support the arts and heritage in their areas and understand the impact they have.

**Thangam Debbonaire (Bristol West) (Lab):** The right hon. Gentleman is making a good point, but what does he think about how local authorities are expected to cope with keeping their arts budgets at a static point? I have to say that Bristol has managed it, and I am proud of that, but most are struggling because of the cuts to their grants from central Government. Would the right hon. Gentleman care to comment on that?

**Mr Vaizey:** One of the things we wanted to do in the culture White Paper, which I published before I left the Department for Culture, Media and Sport, was to take forward a partnership with local councils showing how the arts and heritage play a huge role in place-making and how different funding streams—not just the core funding stream from Department for Communities and Local Government or via the Arts Council—could help to support arts organisations. There is a lot we can do. Things like the UK capital of culture programme, for example, are great ways of galvanizing local authorities into taking their arts and heritage more seriously, but there are still bad news stories. For example, I was depressed to learn this week that Walsall is thinking of closing the New Art Gallery Walsall, which I regard as a great cultural institution.

I do not want to be a backseat driver. I wanted to use this debate to praise our arts and heritage sectors and what they have achieved, and to look briefly forward at what can be achieved in the future. Last week the Minister announced the museums review. That is a great opportunity to put our national museums, and some of our key regional museums, on a secure footing and to make absolutely clear what the relationship is between central Government and our national and regional museums and also what central Government are prepared to fund as core support and what they would expect national and regional museums to raise for themselves. Similarly, with the review of the Arts Council and other organisations that may take place...
Mr Philip Hollobone (in the Chair): This is an hour-long debate, so we are due to finish at 5.30 pm. The guidelines are that the SNP Front Bench is allowed five minutes, Her Majesty’s Opposition are allowed five minutes, the Minister is allowed 10 minutes and then Ed Vaizey is allowed three minutes to sum up the debate at the end. Therefore, I want to call the Front-Bench speakers no later than seven minutes past 5 and there are three Members seeking to speak, so I am going to impose a time limit of six minutes, which will ensure that everyone gets in.

The first speaker is going to be Deidre Brock. I have had a nice note from the SNP Whips Office, and I think she is dangerously over-qualified to speak because it says that she ‘was formerly the Deputy Provost responsible for Arts and Tourism on the City of Edinburgh Council, and is a former actor.’

4.46 pm

Deidre Brock (Edinburgh North and Leith) (SNP): Thank you, Mr Hollobone; it is a great pleasure to serve under your chairpersonship.

There is a little point in the Library briefing for today’s debate that should, perhaps, be clarified. That point is that the Scottish Government fund our national performing companies separately from Creative Scotland: the National Theatre of Scotland, Scottish Opera, Scottish Ballet, the Royal Scottish National Orchestra and the Scottish Chamber Orchestra are all funded directly, unlike their counterparts in England. The arrangement began in 2007, which explains the drop in funding to what was the Scottish Arts Council at that time.

Those companies create and perform some remarkable pieces, giving much more value in return for the investment than we might have expected. It is unfair to single out any one of them but I am going to, having seen a bravo—a legacy of Vicky Featherstone’s time as its inaugural artistic director. She was an inspired and visionary choice and one for which we should thank Robert Findlay and the board.

Scotland’s national companies are a fine example of getting fantastic value for money from arts funding. The continued support of the Scottish Government, though, is getting harder and harder to deliver as their own budget gets hammered time after time by this UK Government. As has been mentioned, the same is true for local authorities the length and breadth of these islands. Their ability to support arts spending in their areas will be severely limited by the perpetual squeeze of a Government obsessed with austerity and lacking, it sometimes appears, any real comprehension of what austerity is doing to services, including cultural services, provided by central and local government.

Birmingham is a fine example—local politicians forced to cut their culture budget by a quarter in a city that is proud of, and has promoted, its cultural side to great effect in the recent past. In 2012, Newcastle announced its intention to impose a 100% cut to its culture budget; that was, after a UK-wide outcry, eventually pegged back to a mere 50%. Once councils are cutting back so drastically, the services start to move towards a point where they will not be recoverable if resources become available again in the future. It moves to a point where rebuilding those services from scratch will be the only option—and that is only if the resources to do so become available.

As Mr Hollobone mentioned, I do not speak of this in the abstract but from experience. Before I came here I was a councillor—convener for culture and sport—in Edinburgh, the city that is host to the world’s biggest arts festival every August. For five years I had the task of trying to balance the books for the city’s cultural activities. Trying to develop the cultural ambitions of a city while firefighting the effects of a diminishing budget is a thankless and unending task, and my sympathies lie with the councillors and officers who are having to try to do that in every local authority just now.

The judgment that is so often made, it seems, is that arts and culture spending is a luxury that can be dispensed with more easily than other spending commitments—that support for theatres, galleries, museums and libraries is a little indulgence that we should jettison at the first tightening of the belt. Public art becomes something to be mocked, rather than a vital part of the wellbeing of communities.

When that happens—when we allow the spend on culture to drop—we start to strip away from communities some of the social cohesion that makes everyone’s lives better. Whether it is about offering art that people can appreciate or offering them the chance to become part of the art of an area, the opportunities are about allowing and encouraging people to be part of something bigger, something more than themselves. It is about giving people the chance to lose themselves in the glory of something beautiful and dynamic and offering them the chance of learning something new, feeling something new, dreaming something new. Funding for culture is not a frivolity, nor is it a decoration; it is a vital part of what makes us who we are and what makes our society what it is.

From small-scale community events and amateur dramatics in church halls to touring orchestras and exhibitions of great works, the engagement of people in art is an enterprise whereby the benefits far outweigh the investment required. We risk much more than jobs when we put that enterprise to the sword. Each cut to culture spending is a cut to society, just as cuts to health provision or education provision are. We should ensure that the investment continues and that it is distributed across communities everywhere.
Yesterday, I had a look at the English Arts Council’s website, where there is a warning for anyone who cares about England’s culture: the funding distribution, in my opinion, is far too London-centric. London, with only 16% of England’s population, has 45% of all the organisations in the national portfolio of Arts Council England, and those London organisations take 40% of its funding to service that 16% of the population. That will include funding for the national companies, but if people value the benefits of cultural spend they will surely want to share it more widely. There is no reason why the national companies have to be in London. Take a leaf out of Scotland’s book: share the national companies with other cities, spread the funding more widely, involve more communities and help more people.

The investment in art is worth every penny and worth every debate that is needed to get it made. It is time to dump austerity from every part of public spending, but it is definitely time to dump it from arts spending.

4.52 pm

Will Quince (Colchester) (Con): I congratulate my right hon. Friend the Member for Wantage (Mr Vaizey) on securing this important debate.

Great art is everywhere in the UK, including in my wonderful town of Colchester; it is absolutely not only the preserve of London. I have long argued that funding for the arts is not sunken costs. Investment in the arts has a real economic benefit to our towns and cities—and even if that were not the case, we could look to the role played by the arts in tackling social exclusion, education, communication skills, loneliness, mental health issues, promoting the creative industries and urban regeneration. The list goes on.

For the past 10 years, the DCMS has surveyed engagement with the arts through a regular report, “Taking Part”. Encouragingly, the 2015 “Taking Part” study found that 77% of adults in the UK engaged with the arts in the previous year. That number, although impressive, has not seen a sustainable increase for 10 years and is much the same today as it was in 2005. Although the creative industries have achieved a great deal in the past 10 years, there is still a huge amount of work to do to ensure that the dynamic work of our arts and creative industries touch the lives of everyone in our communities.

We need to be clear about what we mean by engagement with the arts and, in my view, move away from attendance to participation. We all know of the well documented social benefits of the arts—I have just mentioned a number of them—but are those really being achieved at present? Attendance is great but I firmly believe that it is largely through participation in the arts that huge opportunities exist for social benefits.

Most public money still goes to subsidise those who are watching productions or visiting galleries, and although I accept that there are programmes for participation in most publicly funded arts organisations, it is only by redressing the balance and shifting the emphasis from attendance to participation that we will really start to see the step change in social benefits of the arts that we all want. Subsidising 100 people to watch a symphony orchestra will have a social and economic benefit, but what is the return on investment? Subsidising 100 children to learn how to act, sing or design a set has a clear social and economic benefit. It is far easier to measure the return on investment with that and, I would argue, it represents a greater social benefit.

Another issue I have raised with the Department for Education is schools’ relentless focus on EBacc subjects, which I understand is leading to fewer and fewer students taking up music and drama at GCSE and A-level. That could have catastrophic consequences for the long-term sustainability of the arts in this country. Now more than ever, the Arts Council has a role to play in showing that music, drama and the arts more generally are relevant and a serious option for either a career or recreational activity.

Should we continue to invest in the arts as much, or perhaps, as my right hon. Friend suggests, invest more? Many would argue not, and although I disagree with them, I take their point. We know that many arts organisations continue to innovate and to rely less and less every year on public subsidy. There is far more of a focus on being cutting edge and groundbreaking while bearing in mind the need to produce art that the public actually want to come and see.

Someone does not need a grant to write a smash-hit play or musical. To be frank, some of the best productions start on little or no budgets in small theatres and grow organically. In my view, we should encourage arts organisations to have a medium-term strategy to move towards being financially sustainable for attendance, and then we could continue to publicly fund or subsidise their participation programmes and match-fund innovative works and productions. Why not be creative and look at accelerator funding, funding research and development and matched crowd-funding initiatives? Alongside that, I believe that we should continue to support the arts through tax breaks, such as the theatre tax relief that my right hon. Friend mentioned earlier. Why not just let them keep more of the money that they earn?

In conclusion, I support my right hon. Friend’s call for an increase in funding for the arts, but I ask that the focus shift from attendance to participation, as I believe that only by doing that will we see our arts organisations become more self-sufficient and see a significant return on investment, both economically and in social benefits.

4.57 pm

Thangam Debbonaire (Bristol West) (Lab): I thank the right hon. Member for Wantage (Mr Vaizey) for securing this debate and for doing so much in his time as Minister for the arts. I very much admired his commitment and could see that he was passionate about the arts—there will be a “but” eventually, but he knows that.

I am here to say that above all else, I value art and culture for its own sake. Art just matters for so many things. I was originally trained as a musician. I started learning the cello when I was four and I never stopped. I went to a music school that was publicly funded. I was a professional musician and a member of the Musicians’ Union, off and on, until my early 40s. I also married an actor who was originally an opera singer and is now an opera singer again. My sister is an artist, my parents are both musicians and art has been integral to who I am for my whole life. I really believe in the value of art for art’s sake because I know what a difference it has made to my life. I am here for today’s debate because I want everyone to experience that joy in whatever form it takes for them.

First and foremost, I want to emphasise the terms and conditions of people who are working in the arts. Without a properly remunerated, well supported workforce
with decent terms and conditions, no industry at all can do well. Actors, musicians, dancers, painters, writers and technicians all need decent terms and conditions and too often are expected to work for very little or sometimes even no money.

Hon. Members have mentioned the words “funding” and “subsidy” today, and I want to try and change the language by talking about “investment.” The arts deliver an amazing return on investment. I do not have the figures with me—I used them somewhere else in another speech—but I know hon. Members here will be aware of just how much the arts give back to this country’s economy. If we are talking in purely economic terms, I think it is time that we stopped calling public money in the arts “a subsidy” or “funding” and called it “investment”.

Mr Vaizey: I wholeheartedly agree with the hon. Lady; could Hansard strike from the record any reference that I made to “subsidy” instead of “investment”? I believe that the then Chancellor said in his autumn statement last year that £1 billion invested in the arts returns £250 billion—and if the Treasury allowed that statistic out the door, it must be true.

Thangam Debbonaire: I thank the right hon. Gentleman for reminding me of the figures. The Labour Government made arts and arts investment a real priority.

I will give a few examples of where arts investment goes and what it does in my constituency. Ujima is a community radio station with extraordinary reach. It touches the subjects that other radio stations go nowhere near. It has some public funding, but also generates a lot of its own income and does its own work. On Saturday, it was given a fantastic and well-deserved award by the Community Media Association.

Many people in Bristol know the Watershed as somewhere to go for coffee or to see a film. They may not realise that behind the doors is the Pervasive Media Studio, where artists go to collaborate, create something new and discover together. Very often, although not always, that collaboration turns into something commercial. Sometimes, it leads to a piece of theatre that needs more public investment, but sometimes it leads to something that can actually make money. I was privileged to visit the Pervasive Media Studio and to literally get my hands on one of its new inventions, which looks like a football with many sides, but is actually a musical instrument that DJs can use in nightclubs—something that I know nothing about. Apparently I got the hang of it really quickly, or maybe they were just flattering me.

Public investment helps the commercial sector. I always fall back on the “Skyfall” example. A colleague in the National Theatre pointed out to me a while ago that, although that is a commercial film, the lead characters and the director—Sam Mendes, Judi Dench and Daniel Craig—started out in publicly invested theatre. Sam Mendes did not just wake up one morning and decide to make “Skyfall”. He had been doing lots of other things, thanks to public investment.

I need to mention—the right hon. Member for Wantage knows that I will—the consequences of no public funding. He and other hon. Members have mentioned local authorities that have made huge cuts, but local councillors talk to me about dealing with the impact of cuts to central Government grants. When many local authorities serving deprived communities are faced with a difficult decision between the arts and the high cost of child protection, housing needs or other needs, they will cut the arts.

Now, I do not like that, the right hon. Member for Wantage does not like that and I am pretty sure that the Minister will not like it, but we need to face reality and accept the fact that local government and central Government grants have an impact. The right hon. Member for Wantage argued against ring-fenced funding. I get that argument, but there is a consequence when we cut Department for Communities and Local Government funding.

The Centre for Economics and Business Research has evaluated the impact of arts and culture on the economy, and it is massive. The arts and culture industries are so often more productive than other industries and, as well as generating economic value, they generate joy. I can testify to something that other hon. Members have mentioned—the value of arts in health and wellbeing. When I was being treated at Southmead hospital last year, I was privileged to see the cathedral to health that has been created there, and how much art and culture was built into the fabric of the building. There are works of art, changing exhibitions and a grand piano at which a variety of musicians play all sorts of wonderful music, which uplifted me in moments when otherwise I felt very down.

The public investment that we put into the arts more than earns its keep economically, through social aspects and wellbeing, and through regeneration of deprived areas, which is something that I have not mentioned, but for which there is a great deal of evidence. It is important that we take notice of workers’ terms and conditions, and recognise that public funding for the arts should be seen as an investment that has huge commercial opportunities when properly supported. We need to stop thinking about art as a subsidy.

Art, for my money, should truly be for everybody. As Jennie Lee said in her first arts White Paper way back in the ’60s—and I am pretty sure that the right hon. Member for Wantage said something similar in his White Paper—art, and our support for it as public citizens, should truly be for everybody. It enriches us, lifts us up and helps us to make something better out of the world we live in.

Mr Philip Hollobone (in the Chair): We now come to the five minutes for the Scottish National party, five minutes for Her Majesty’s Opposition, and the remaining time for the Minister, with three minutes for Ed Vaizey at the end.

John Nicolson (East Dunbartonshire) (SNP): It is a
talents are on our Benches. We have heard from an actress and from a cellist. I am a harpsichordist—something that, I have in common, obviously, with the majority of Scottish National party Members of Parliament. I am sure it will not be long before we have our own baroque ensemble. We will see.

John Nicolson: Yes, it would certainly be a challenge. Earlier this summer, I was delighted that my colleagues on the Select Committee on Culture, Media and Sport were able to visit Glasgow to sample some of the city’s best known and much loved cultural assets. As they told me, during their visits to places such as the Glasgow School of Art, which is currently being rebuilt after the devastating fire, and the Kelvingrove Art Gallery and Museum, they realised that there is a deep commitment and attachment to the arts in Scotland. Indeed, it is to the great credit of our predecessors in Glasgow that wisdom was shown in the purchasing policy for Kelvingrove.

My mum remembers, as a wee girl, the debate in the post-war austerity years in Glasgow about whether to buy Salvador Dalí’s “Christ of Saint John of the Cross”—that amazing portrait where the viewer looks up at Christ from underneath. The city fathers, despite the great financial pressures that they were under, decided that Glasgow deserved to have the picture. Of course, the picture has, many times, outsold the original purchase price through the rights the city has to it—the postcards the picture has, many times, outsold the original purchase price through the rights the city has to it. Glasgow has also made some terrible mistakes. When the beautiful city centre was destroyed under the crazy assumption that we could devastate the inner city, remove the beautiful buildings and decant people to outlying ring towns leaving an architectural desert in much of the city, the worst mistake made was to think that people who had grown up going to see movies—Glasgow had more cinemas than any other city in the western world with the sole exception of New York—and going to the theatre and the local swimming baths, would be happy living in outlying housing schemes with no access to arts of any kind. It is no wonder that crime, which everyone imagined would drop dramatically, rose dramatically. It was a tragedy.

Arts and culture improve people’s attainment across many aspects of the school curriculum; in other words, access to the arts aids social mobility. Of course, there is also an economic benefit. In 2015, the number of jobs supported by the Scottish creative industries rose to more than 70,000, an increase of 5.1% on the previous year—the sector’s third consecutive annual increase in employment.

For every £1 of public investment, we see £3 in economic benefit. I, like other hon. Members, think it is enormously important that we stop talking about subsidies and start talking about investment. There is a well of good will in the House for the arts and creative industries and I was pleased to hear the right hon. Member for Wantage say that he felt that the Government had cut to the core, because we cannot cut further. On that, I hope, we are all agreed.

Kelvin Hopkins: Good—a bit of Scarlatti would go down well.

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to serve under your chairmanship once again, Mr Hollobone. It is also a great pleasure to debate with the right hon. Member for Wantage (Mr Vaizey). In my brief Front-Bench career, I seem fated to be debating with him serving either as a Minister or, now, as a Back Bencher. One reason why I am delighted that he was an arts Minister for so long is that, in an era of financial constraints, having someone who passionately believes in the arts, and in support for the arts, was something of a relief for us all. I was sad that he lost his job but pleased that he did his best for the arts.

It is a joy to be surrounded by so many arts lovers and participants. I am a great lover of the arts, but I am also a musician in a more modest way. I was a jazz tenor saxophonist in my youth, and I played classical clarinet at school. My only sadness at becoming a Member of Parliament is that I have less time to pursue my artistic interests. I would like to spend more time going to concerts at Ronnie Scott’s and Covent Garden and going to our wonderful theatres, and so on, but I cannot do that because I am looking after my constituents and speaking for them in the House.

The arts are so important. I will not try to emulate the wonderful speeches that we have already heard in support of the arts, but I will draw attention to what my party has recently been saying. My party’s leader set out Labour’s radical, transformative vision for the arts at the wonderful Edinburgh festival. Years of systematic underfunding under the Conservatives’ austerity agenda have threatened to undermine Britain’s arts sector and our proud cultural heritage.

As we have heard, the Government have a vital role in sustaining the arts. Much of our artistic activity simply could not happen if not for public investment—I would say “public subsidy” but my hon. Friend the Member for Bristol West (Thangam Debbonaire) is absolutely right. Throughout history the arts have been supported by rulers, monarchs, churches and religious institutions, and in modern times they have been supported by Governments and the state with democratic consent and support.

Public support enables the arts to take risks and to support minority arts, which could simply never survive in a private, competitive market, unlike popular music, which is commercial and has massive, wide support. As has been said, support comes from philanthropy and private donations from businesses, and so on, but we cannot do without vital state support and, indeed, lottery support, which in a sense is an arm of public support.

My party is set to revive the spirit of the great Jennie Lee’s 1965 White Paper in an updated comprehensive national plan for the arts to complement the creative industry’s industrial strategy. The British Government spend a smaller proportion of GDP on arts and culture than other European nations do—the Government spend less than the 0.5% European average. We want to reverse that. It must change, and Labour aims to provide a £46 million boost to place arts funding on a secure
financial footing and to restore the £9.6 million cuts to Creative Scotland’s budget since 2010. Cuts to arts funding since 2010-11 amount to £42.8 million in real terms.

I welcome this opportunity to put Labour’s case for supporting the arts, and I hope that we can persuade other parties that this is the way forward. I look forward to hearing what the Minister has to say in response to what has been a good debate.

5.13 pm

The Minister for Digital and Culture (Matt Hancock): The former Minister—my predecessor and friend—my right hon. Friend the Member for Wantage (Mr Vaizey) described his contribution as a swansong and as his resignation speech. He was the longest-serving culture Minister in the history of this great country, and he has made two such speeches today because earlier he spoke eloquently in the debate on the Digital Economy Bill, to which we will be returning.

I take this opportunity to thank my right hon. Friend on the record. Having served in five different Government Departments in four years, I am becoming something of an expert in ministerial predecessors—I have an awful lot of them—and he is my finest ministerial predecessor. He has been brilliant to me by being supportive both in public and in private. He has been quiet where appropriate, and he has been helpful, while still speaking his mind. If I may say so, he is also looking extremely healthy.

My right hon. Friend talked about the outpouring of joy at the arts funding settlement in the spending review, and it is true that the arts were well supported. I remember well the previous Chancellor saying that “deep cuts” to the arts are a “false economy”, and I know that the new Chancellor shares his predecessor’s enthusiasm for the sector.

There was also an outpouring of thanks and warmth to my right hon. Friend the Member for Wantage on his resignation, and it was an extraordinary, generous and genuine outpouring of support from arts and cultural organisations and from supporters of the arts right across the piece in recognition of his dedication and support over many years, which culminated in the publication of the first culture White Paper on the 50th anniversary of Jennie Lee’s White Paper.

The economic and social impact of the arts and culture is well recognised by me and by the Government. DCMS sectors make a vital contribution. In 2015 the creative industries contributed £221 billion to the UK economy, which is more than 13% of gross value added. That is the economics but, more than that, the arts are central to how we are seen and how we see ourselves as a nation, which will only become more important as we become something that we will be returning.

Kelvin Hopkins: In a recent private meeting—I was impressed by this—the Minister said that so much value could not be measured in financial terms and that the arts, in particular, were an area in which it was difficult to measure value in financial terms, even though they made a financial return.

Matt Hancock: I have said that in private and in public. In fact, I have given a long and involved lecture on the subject, and the hon. Gentleman might want to go and read it—I would far rather that they go through it in detail. It is not possible to capture all that is good and important in life with the measure of GDP. We need to be aware of that and to take it into account.

Even more than that, the intrinsic value of arts and culture is not measurable in economic terms. It is a human benefit to be part of a community and a country which has a strong and vibrant artistic heritage, and to be involved both as a consumer of and a participant in the arts—I have not put that quite as clearly as I would have if I had time to write it more lyrically.

Funding is the core of this debate. I, like my predecessor, believe strongly and passionately in the value of the arts. Public funding is a cornerstone of a mixed economy of funding for the arts. I put on record the facts on public funding: central Government funding plus lottery funding rose from £560 million when we took office in 2010 to £683 million last year, which is a £123 million uplift. Other figures have been bandied about, but it is important to put that on the record and for this debate to be based on the significant increase in support when we put together the direct funding and the lottery funding, which was in part secured by my predecessor. It is on that basis that we should conduct this discussion.

Public funding, as a cornerstone, is not the be-all and end-all, however. There is also philanthropy, which has increased, and especially the commercial financing that arts organisations need the length and breadth of Britain have put such an effort into expanding. Commercial revenues, whether from hospitality or from digitisation, and philanthropic revenues are incredibly important, and we miss the bigger picture if we focus only on public money. Yes, it is important to support public funding for the arts, but it is also important to support and incentivise broader funding from all sorts of different places to ensure that we get both the breadth and depth of support for the arts that we all want to see.

On the important point about where that money is then spent and the question of London, during the period when my predecessor was in place, both the cash amount and the proportion of funding going outside London increased. Let me demonstrate my commitment to continuing in that direction of travel. If there is one person who has succeeded in both broadening geographic access to the arts and deepening the excellence at their core, that man is Sir Nick Serota, and he has now taken up the challenge of chairing Arts Council England from early next year. I am hugely looking forward to working with him in that role, because he understands how to retain and enhance that excellence while ensuring that the benefits of public support and artistic endeavour are supported throughout the country.

I will touch on a couple of other points. Funding is important, but it is not the be-all and end-all. I underline the importance of spreading diversity through the arts, funded via the mechanisms that we are discussing. When we say we want a country that works for everybody, we mean that we want everybody to be able to access its benefits, both economic and social. That means ensuring that people from all different backgrounds have the opportunity and are encouraged to access the arts. That involves increasing diversity within the arts in the broadest sense—not only in terms of formally
protected characteristics such as ethnicity, gender, sexual identity and disability but in terms of social mobility. We must ensure that people from around the UK and from different backgrounds are given the opportunity and the confidence to make the most of what this country has to offer. That will be an important part of what I will do in this job, and I look forward very much to working with the Arts Council to ensure that it happens.

I would also like to mention the non-funding elements of spreading the benefits by bringing arts to the whole country. Of course funding is one part of that, but one incredibly important convening power within the arts is the establishment of the Great Exhibition of the North, which will take place in the summer of 2018. It is an excellent step to ensuring that the city or town chosen has the focus and intention to develop its arts scene. Likewise, in the UK city of culture programme, which has been mentioned, I am looking forward enormously to working with Hull to ensure that the city of culture is a great success next year. Their convening power, supported by appropriate funding, will make those events a success. I am delighted that we provided more than £14 million to Hull for that, including £5 million for Hull New theatre, but as well as the funding comes the focus that I hope will make it a great success.

Finally, I will mention something that was brought up briefly: the role of technology in broadening access and ensuring more support for the arts from outside. For instance, we can increase access and footfall and reach new parts with livestreaming, which is increasingly being used to broadcast shows online, making it much easier for schools to access them, for instance. The Royal Shakespeare Company will be doing it soon, and many others are getting into that space. Those who missed the BBC live performance of “A Midsummer Night’s Dream” on Sunday evening can, of course, watch it on iPlayer. The advantages of digital in bringing more people to the arts is incredibly important.

I hope that I have responded adequately to my right hon. Friend the Member for W antage. I will end by thanking him for the service that he gave and putting on record my hope that I can live up to the standards that we have here. I want to work with Hull for that, including £5 million for Hull New theatre, but as well as the funding comes the focus that I hope will make it a great success.

5.25 pm

Mr Vaizey: We live in a time of great turmoil: within the last hour, Mel and Sue have announced that they will not be presenting “The Great British Bake-Off” when it moves to Channel 4.

The Minister’s speech was particularly welcome because of the sure-footedness and steady hand that he has brought to his portfolio. I will pick out a number of points that he made, some of which I overlooked and some of which I want to emphasise. First, I welcome his focus on diversity, in terms of both protected characteristics and social mobility. In their early speeches in their new portfolios, both he and the Secretary of State have emphasised that, which is welcome. Secondly, he reminded the House how much progress has already been made in pushing funding outside London and showed a great commitment to carrying that on.

Thirdly, I cannot emphasise enough how important words are in the sector. Actions speak louder than words, as they do in any other area, but words are important, so to hear the Minister say on record that public funding is a cornerstone will be greatly reassuring to both the arts and heritage. Also, effectively telling the Chancellor that he is a supporter of the arts is a great move. Given the influence that my right hon. Friend has, I am pleased that the new Chancellor is officially a supporter of the arts. I thank him for that as well.

The Minister is an old friend, and will grab this portfolio with both hands and with the energy for which he is well known in the House. I know that the Secretary of State is also enjoying great support from the people I know in the sector who have met her, so I have great confidence. I know that it is slightly cheeky of me, at this early stage in their tenure as Ministers, to hold a debate on increasing funding to the arts, but I wanted to put on record why it is important.

In the last public expenditure settlement, I said to the then Chancellor that although those headline cuts, of the kind that the Treasury always loves to shove out the door in the run-up to public expenditure, would have a significant impact on world-class organisations, they represented very small sums in the great scheme of Government spending. Similarly, I emphasise to my right hon. Friend that the kind of sums that could make an impact on arts organisations at the next spending review or in the next Budget would be infinitesimal in the realm of Government spending—although I absolutely acknowledge that this Government in particular have, and will want to keep, a record of financial prudence. They will not only make a significant difference to what our arts organisations can do and to their impact; they will, to return to my other theme, be a massive vote of confidence from this Government in the arts and heritage, and he and the Secretary of State will be repaid a hundred times over by the sector.

As I said, I cannot foist that burden or challenge on to my right hon. Friend. I am realistic about what can and cannot be achieved, and he must negotiate with the Treasury. However, regardless of the outcome of the spending review or the next Budget, I emphasise again that both he and the Secretary of State are welcome additions in the arts and heritage, from everything that I am picking up. I am thrilled to read some of their speeches and see some of the work they are already undertaking. I am doing my absolute best not to sound ridiculously patronising; this is a heartfelt speech of support for what the Minister is doing.

Question put and agreed to.

Resolved.

That this House has considered funding for the arts.

5.29 pm

Sitting adjourned.
Westminster Hall
Wednesday 14 September 2016

Social Fund Funeral Payments

9.30 am

Gavin Robinson (Belfast East) (DUP): I beg to move.

That this House has considered Social Fund funeral payments.

May I say what a pleasure it is to serve under your chairmanship, Sir David? I look forward to what I hope will be another constructive debate on this topic. Before commencing, it is appropriate to place on record my appreciation to the Under-Secretary of State for Transport, the hon. Member for Blackpool North and Cleveleys (Paul Maynard), and the hon. Members for South Shields (Mrs Lewell-Buck) and for Milton Keynes South (Iain Stewart), who have all campaigned on the huge disparity between people's profound need at a sincere time of grief and the support that Government are prepared to offer them.

I am also greatly indebted to the right hon. Member for Birkenhead (Frank Field), who as Chair of the Select Committee on Work and Pensions compiled an important report on this subject, “Support for the Bereaved”, which was published in March this year. I know that he wished to be here this morning but, due to scheduling, the Committee is taking evidence for an inquiry this morning, so its members are unable to do so. May I also welcome the Under-Secretary of State for Welfare Delivery, the hon. Member for Romsey and Southampton North (Caroline Nokes), to her place? I have not thus far engaged with her as a Minister, but I know her to be a compassionate Conservative. I know she is well placed to respond appropriately, and I trust that when she does, this debate will have a tangible outcome.

When the Select Committee’s report was published, Citizens Advice in Northern Ireland commenced its work, motivated by a desire to assist those in society who often struggle to find the right information, let alone access the help they require. I believe that its quest should be ours today. While quietly and under the surface there are many membership organisations that, through benevolence, step in to support, they should not have to.

We are burdening those in receipt of benefits with a 62% deficit of £2,300. I know that the Government’s position—indeed, it was accepted by the Select Committee—is that in all these instances people have a choice to make. They have a choice as to what type of funeral they have, whether they engage the services of a funeral director and whether they assume additional costs. We accept that people have choices.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate my hon. Friend on obtaining this debate. Does he agree that one of the invidious choices that some families have to make is going into considerable debt from a variety of sources in order to pay for a funeral? At a time when immediate relatives and next of kin are grieving tremendously and finding it very difficult to make ends meet, this added burden sometimes leads them to go to money lenders or other sources to get the resources.

Gavin Robinson: My hon. Friend is absolutely right. When the Government talk about choices, they also express a desire for the ideal situation that people make provision for their own end of life. Ideally, that is what we should do. Ideally, it should come from our estate and from our savings, but those who are most in need are recipients of benefits from this society because we recognise that they cannot pay for themselves.

I ask this question of the Minister—I do not do so glibly, but it starkly illustrates the difficulty we have. Take JSA as one example. A recipient of JSA gets £73.10 per week. How much of that £73.10 do Government believe should be set aside for funeral provision? I do not wish to be facetious: that is the serious concern of many people who struggle by themselves and do not get enough from Government. We are saying, “Really, you should be saving for after life as well.”

David Simpson (Upper Bann) (DUP): I congratulate my hon. Friend on obtaining this debate. Does he agree that there is a degree of humility when it comes to folk who cannot afford to pay for a funeral? They also need more help when it comes to the form filling and the process itself.

Gavin Robinson: I agree with my hon. Friend, and I will come on to some of those issues later in my speech, as well as recognising the particular difficulties we face in Northern Ireland when it comes to those choices. The Select Committee did a good bit of work on the application process and the SF200 form, which I will refer to later as well.
The Minister will know that the social fund payment is broken into two categories: what is considered to be a non-discretionary award and what is considered to be a discretionary spend. The Committee has canvassed this issue. The Members I mentioned previously—the hon. Member for South Shields and others—have recognised that the £700 award, which was formulated at a time when it met discretionary spend needs, was frozen in 2003. The Bank of England’s calculator suggests that that £700 is now worth £495.68, yet the costs have not frozen; they have risen exponentially. That figure was set at a time when Government said they would meet the costs, but I am afraid this policy is now compounding the debt and the pressure on families who look to Government for support. That is 13 years of diminished spend, and the cost of discretionary items has risen exponentially, at more than three times the rate of inflation year on year since 2003.

Let us consider what is discretionary. I do not find it comfortable that the provision of a representative of the clergy or an officiant at a ceremony is a discretionary spend. I know that people have different views on faith, but for me it is not a choice. I recognise that there are many in our country who do not live a faithful life but who, when they approach the end, build that relationship for what is to come. I do not believe that that spend—whether it is a faith-based clergyman or someone who will simply officiate at an ordinary funeral—should be discretionary, nor do I believe that the hiring of a place of worship should be. We cannot expect it to be a discretionary cost for people at a time of grief and sorrow to sort out a place aside from their home to welcome family and friends who want to pay their respects to their loved one.

Discretionary cost is also associated with a cremated remains plot or storage space. Cremation is a non-discretionary spend, so its cost is covered; burial is also a non-discretionary spend and interment is covered. Burials cost substantially more than cremations and the Government will cover the cost of interment of a body in a burial, yet providing a plot for ashes or a safe place for them to be kept is non-discretionary. Given that there is a end of life savings for the Government in the discretionary element of cremation, the provision of a cremated remains plot or storage space should be moved from non-discretionary to discretionary.

Embalming is a discretionary spend. The Government say a family choose whether a body will be embalmed. It is not required scientifically, but is most important, should a family choose to have an open coffin or to spend time with their deceased loved one. As part of that categorisation of non-discretionary spend, the Government are making the choice more difficult for those in receipt of benefits or who can ill afford it. They are saying, “We will pay £700”—which in no way represents the cost of the non-discretionary items added together; indeed, it has been frozen since 2003 and is now worth less than £500—but you choose: are you going to use it to have an officiant at a ceremony, to have a place to put the ashes of your loved one, to embalm the body before disposal or to mark their final resting place with a memorial?” It is appropriate to spell out these aspects of end of life sincerely and earnestly, to illustrate some of the choices that the policy is asking people without sufficient means to make.

In an evidence session during the Select Committee’s inquiry, an official from the Department for Work and Pensions said that, ideally, eligible claimants should know what their entitlement is before a funeral. It is sensible and plausible that people do not go to a funeral director and ask for these discretionary items, amassing a substantial cost that they can ill afford. That is sensible and, when I consider the delay in having a funeral in England and Wales, it is also practical. People may wait two, three or four weeks for a funeral. That is not so in Northern Ireland, where traditionally people are buried two or three days after death. So at a time of sorrow and grief, we not only ask people to come to terms with loss and their inability to provide for their loved one and to make arrangements, contact family and friends, but to contact DWP’s advice line to see whether support is available. Three weeks sounds practical, but three days is less so, yet the constraints are the same across the country. Colleagues from other parts of the country may wish to add their experience, but in Northern Ireland the short time frame does not allow people to do what the DWP official described as ideal.

All this—the question of discretionary or non-discretionary and the cap in 2003—has led to a crisis of funeral poverty in this country. The Local Government Association has highlighted its concern. In 2009-10, there were 2,200 public health funerals, at a cost of £1.5 million to local authorities. In 2010-11, there were 2,900, at a cost of £2.1 million. The BBC survey of all local authorities in this country had a response rate of three quarters. It is estimated that there will be 3,500 public health funerals this year.

We know what they are. Paupers’ funerals have been described as funerals for which there is simply no one to pay, no family support and no ability to give someone a send-off from a loved one, so the state steps in. The number of such funerals has risen exponentially to 3,500 this year. That has led the National Association of Funeral Directors to ask why, if funeral poverty is rising, social fund funeral payments have decreased. The social fund payments of £40 million in 2016 represent a 10.9% decrease from £44 million in the previous year. The number of public health funerals where the Government is paying the cost to local authorities and funeral poverty are rising; spend is decreasing and the cost to local authorities and funeral poverty are rising; rather than proudly stating that they are handing £150 million back to the Treasury, the Government have the choice to use the money more appropriately and to provide the support that is needed.

To be fair, the Government gave a timely response to the Select Committee’s report. The Minister has had the chance to consider some of her narrow brief—DWP is not a narrow Department and has many considerations—and today gives her the opportunity to add some meat to the skeletal response and skeletal commitments that were offered.

The Government have talked about dialogue between funeral directors, interested third parties and stakeholders. I will be interested to hear what the Minister says to
update the discussions that have been taking place since 2015. We should have an appropriate response from the Government today on how those discussions are progressing without just placing the onus on funeral directors.

There was much in the Select Committee’s report about funeral directors doing this and that. The Government could define what a simple funeral is. There are choices, as I have outlined, about what is discretionary and what is non-discretionary. I will be interested to hear not just what stakeholders, funeral directors and their association are prepared to do, but what the Government are prepared to do.

Mr Nigel Dodds (Belfast North) (DUP): I congratulate my hon. Friend on initiating this debate and on how comprehensively and eloquently he has introduced it. In my experience as an MP, people do not necessarily want to talk about funerals, but as they get older the issue becomes more of a burden and a worry. We have a new Prime Minister and a new direction in a Government who are not for the privileged few but for the many. This is an opportunity for the Government to take a new approach and relieve this burden from many elderly people—often widows living alone—who are worried about passing on debt to their families. This is a real opportunity, as my hon. Friend said, to have a new, fresh start.

Gavin Robinson: Absolutely right. I am grateful for my hon. Friend’s relaying that story to the Chamber; I am keen to find out from the Minister, who I am sure that Scottish colleagues will raise this—there was a proposal that we should follow the Scottish model of indexing funeral payments with inflation. There was some criticism of that model in the Government response, but I would be keen to hear about that.

The Minister will know that one consideration was about the SF200 application form. Having had a chance to consider the matter following the Government response in May, can the Government say whether they will accept the recommendation and ensure that the form indicates clearly the conditions associated with who pays and who applies? That is very simple, but it means that when someone gets to the end of the process, either before or after the funeral, they do not find that Government support is not there for them and they are left with a debt.

The Government said that they were conducting their own direct research with users. I am keen to know where that is at and what it has uncovered. Additionally—I am sure that Scottish colleagues will raise this—there was a proposal that we should follow the Scottish model of indexing funeral payments with inflation. There was some criticism of that model in the Government response, but I would be keen to hear about that.

A particular issue that arose during the Committee’s consideration was the situation in Northern Ireland with bereavement benefits. The Government have considered bereavement benefits and decided that it is inappropriate for cohabiting couples with children to be eligible. That is the Government’s position. They have considered the Committee’s report and decided to stick with that position, but in Northern Ireland we cannot, because the High Court found against the Northern Ireland Executive, so in Northern Ireland there is eligibility for cohabiting couples with dependent children.

Given that we administer what is a Government scheme in Northern Ireland— it is not a Northern Ireland Executive scheme, but the wider social fund of this country— I am keen to find out from the Minister, who may need to write to me, whether the money required to meet the additional burden in relation to bereavement benefit comes out of the Northern Ireland Executive’s money or whether the Government are making up that shortfall even though they are unprepared to do so in the rest of the United Kingdom. We have found ourselves in this position because of the judiciary, and the courts may well step in in England as well.

Mr Andrew Smith (Oxford East) (Lab): I congratulate the hon. Gentleman on initiating the debate and on the very effective way in which he is putting across his case. Does he agree that in the interest of compassion at a time of bereavement, that judgment is actually right and the Government ought to look at the matter again in England and throughout the United Kingdom?

Gavin Robinson: I do agree, although the Government flag up what I think are important associated considerations. Could we see two individuals, one a married spouse out of the home and one a cohabiting spouse in the home,
applying and have the difficulty of deciding who is entitled and who is not? The Government have flagged that up. The right hon. Gentleman is right to say that the matter needs further consideration. There is the particular issue for Northern Ireland, and I think that the wider impacts are worth further reflection.

There are a number of issues on which the Government hold no information, and I will go through them quickly. The Minister may or may not get a chance to take them down, but I know that many hon. Members wish to contribute to the debate. The Government hold no data on the number of people unable to afford a funeral, on the average cost of a funeral or on the types of funeral chosen. The Government have no idea of the number of people plunged into debt. The Government hold no data on the number of local authority or public health funerals and have no proportional breakdown in their accounts as to how the £40 million paid out of the social fund breaks down into discretionary and non-discretionary payments.

I refer to all that because those are the answers that hon. Members who have doggedly pursued this issue over many years have received. Having highlighted all that has been highlighted in this opening part of the debate, and in expectation of what is to come from colleagues, I think that answers to those questions must be the starting point for a Government who wish to deal appropriately with the disparity that people face and the debt that people are plunged into.

I am grateful to have had the opportunity to introduce the debate and, as I said at the start, I commend all those who have done much more work on this issue than I have. As my right hon. Friend the Member for Belfast North (Mr Dodds) said, with a new Government, a new Minister and the stated ideal of standing for Northern Ireland, those who need it most, this is one good opportunity for the Government to deliver.

Several hon. Members rose—

Sir David Amess (in the Chair): Order. Seven hon. Members wish to speak. By my maths, that means between four and five minutes each. I hope that colleagues Members wish to speak. By my maths, that means 359WH 360WH it should be a time to grieve and come to terms with the loss of the loved one, and the knowledge that one’s life has changed for ever. Whether it was expected or given me a close insight into the issues raised here today. I refer to all that because those are the answers that hon. Members who have doggedly pursued this issue over many years have received. Having highlighted all that has been highlighted in this opening part of the debate, and in expectation of what is to come from colleagues, I think that answers to those questions must be the starting point for a Government who wish to deal appropriately with the disparity that people face and the debt that people are plunged into.

I am grateful to have had the opportunity to introduce the debate and, as I said at the start, I commend all those who have done much more work on this issue than I have. As my right hon. Friend the Member for Belfast North (Mr Dodds) said, with a new Government, a new Minister and the stated ideal of standing for those who need it most, this is one good opportunity for the Government to deliver.

Sir David Amess (in the Chair): Order. Seven hon. Members wish to speak. By my maths, that means between four and five minutes each. I hope that colleagues will be fair to one another and not squeeze anyone out.

9.56 am

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): I congratulate the hon. Member for Belfast East (Gavin Robinson) on securing the debate. It is a pleasure to serve with you as our Chair, Sir David. I am privileged to follow the eloquence of the hon. Gentleman. I completely agree with all the points that he made, but I would like to bring my own perspective to this matter. I welcome the debate and feel that the fact that I unfortunately had to arrange my husband’s funeral a few months ago has given me a close insight into the issues raised here today.

The death of a close family member or friend always comes as a terrible shock. Whether it was expected or unexpected, the emotions and feelings that immediately come to the mind are grief at the loss of the loved one and the knowledge that one’s life has changed for ever. It should not be a time to have to worry about finances; it should be a time to grieve and come to terms with that loss. However, in the society we live in today, we find that in many people’s lives finances are uppermost in their minds as they struggle to make sense of the situation that they find themselves in.

My first point is that the necessary practicalities of arranging a funeral have to start almost immediately and the impact of that is that poorer families may quickly fall into debt. Although there may be some support for those on low incomes, it is becoming apparent that the grant of £700, which has been frozen for the last 13 years, can no longer cover the cost of a basic funeral. Those on low incomes may be able to claim the grant, but they still need to find the additional funds. As evidenced by the Work and Pensions Committee, many can run up huge credit card bills that spiral out of control or fall into the hands of payday loan companies or, even worse, loan sharks, causing long-term financial hardship that will be very difficult for some ever to get out of.

My second point is on the lack of openness about the cost of funerals. In my own case, it never occurred to me to shop around or do a price comparison. In the aftermath of a death, people are vulnerable and not always thinking straight. I just contacted the funeral director who I knew was very local, and I must add that they were extremely helpful, kind and respectful throughout the process, but it does seem to me that we should give this issue more thought and seek to persuade funeral directors to be open about their costs and make them available online, so that we can all make better informed choices. When I return to my constituency, I will be contacting the funeral directors in Sheffield, Brightside and Hillsborough and urging them to do that.

Thirdly, I am exercised by the various tragic situations in which vulnerable low-income people, some found in my constituency, may find themselves following the death of a family member who they may have cared for. As we all know, an estimated 6.5 million people in this country are taking on the absolutely important job of looking after, and caring for, someone in their family or friendship circles. It is possible that during that time such a carer may be eligible to claim a carer’s allowance, but following the death of that relative they will find, obviously, that the carer’s allowance will cease to be paid to them. That may put them in a position where they need to claim for employment and support allowance. If they are found eligible, their income will be significantly reduced.

Even worse—I have to bring this up—some three months later, that person, perhaps one I have spoken to in my constituency, may have to pay the bedroom tax. That has the knock-on effect of their suddenly seeing their life, income and quality of life completely reduced.

The Minister may or may not get a chance to take them up. The right hon. Gentleman is right to say that the matter needs further consideration. There is the particular issue for Northern Ireland, and I think that the wider impacts are worth further reflection.
Pensions Committee and launch an urgent inquiry into the industry, to tackle the causes of funeral cost inflation and to address rising funeral poverty. Everyone, whatever their means, should be able to say goodbye to their loved ones with respect and dignity.

10.1 am

Patricia Gibson (North Ayrshire and Arran) (SNP): It is a pleasure to serve under your chairmanship, Sir David. I am grateful to the hon. Member for Belfast East (Gavin Robinson) for bringing this very important debate forward. I recall speaking on funeral poverty around this time last year, and was deeply encouraged by the consensus around the Chamber that the current situation was simply not sustainable. It is a sad and inescapable fact that far too many people struggle to put food on the table and keep body and soul together. They cannot afford to live and now we learn that they simply cannot afford to die. It is a very cruel fact and a cause of deep shame for all of us; it is a burden for too many families.

I was moved last year, following the debate, to support the Fair Funerals campaign. I wrote to every single undertaker in my constituency of North Ayrshire and Arran to ask that, as a matter of course, grieving families are offered the cheapest and most affordable option when they come to bury their loved ones. One would think that this might be offered automatically, but apparently, sadly, it is not. I simply cannot understand why it is not automatically offered.

Let us not forget that the families in question who are grieving are only thinking, naturally enough, of giving their loved ones the best and most fitting send off. Cost is not the first thought in their minds. For too many families, it is only after the event that the practicalities of payment truly hit home and leave so many struggling with £1,375, less than 40% of the estimated average cost of a funeral. Alongside that, burial and cremation charges continue to rise—80% over the last decade. This leaves grieving families struggling with grief, but unfortunately also struggling with debt. There is also some evidence to suggest that often people on low incomes do not even know that they qualify for the modest help that is available.

Social fund funeral payments vary depending on the particular circumstances of those seeking to bury their loved ones. However, for those already on benefits or low incomes, the payments are simply inadequate in the face of rising costs for even very modest funerals. They are simply not keeping pace with costs. The average award from the UK Government for help with a funeral in 2014-15 was £1,375, less than 40% of the estimated average cost of a funeral. Alongside that, burial and cremation charges continue to rise—80% over the last decade. This leaves grieving families struggling with grief, but unfortunately also struggling with debt. There is also some evidence to suggest that often people on benefits or low incomes do not even know that they qualify for the modest help that is available.

Of course, as has already been mentioned, we could encourage those who are able to afford them to take out monthly funeral payment plans. To those thinking of doing so, I urge caution. I suggest they either take careful advice or read the small print extremely closely, because over time many individuals end up paying much more than the cost of the funeral itself and the balance is not refunded to grieving families.

I say to the Minister that, to protect the public, the time has come for an official regulatory body to investigate capping the costs of funerals and, importantly, to compel funeral directors to inform clients of their lowest-cost options. That is so those who are grieving and will struggle to pay back the high costs can make a more informed decision about the cost of funerals, with all the relevant information available to them.

The Scottish Government are doing much work on this and have commissioned a report in preparation for the devolution of funeral payments to the Scottish Government, but I think much more needs to be done. This issue confronts those on low incomes in Scotland and across the United Kingdom. I know that there is a level of consensus in this Chamber and I am interested to hear the Minister’s response. I will finish where I began: it is to our shame that too many people cannot afford to live, and now simply cannot afford to die.

10.6 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Sir David. I congratulate my hon. Friend the Member for Belfast East (Gavin Robinson) on setting the scene so movingly and thoughtfully. His speech was easy for us all to follow and appreciate and, more importantly, for the Minister to respond to. The funeral payment scheme that is currently in place is complex and certainly does not adequately cover the associated costs of a funeral. I am also pleased to see the Minister in her place and congratulate her on her elevation to the position she now holds. I understand that in the past the Minister has had a similar debate in Westminster Hall on this subject. I think I came along to support her and added a contribution at some point—which was uncharacteristic—and I very much look forward to her response.

I have had a number of cases in my office regarding funeral payments. One of the main problems is that people have to commit to the funeral without knowing whether their claim will be upheld. I have had people in my office who have had to take out payday loans—I would not recommend it—believing that the funeral will be paid for, only to be refused or given an amount of money well under what was needed to carry out the actual funeral. They are then left with truly massive bills and debts, because they believed they were eligible and wanted to respect the memory of their loved ones. The scheme was set up to prevent families from having to allow their loved ones to go through a pauper’s funeral service, which is not a nice thing for a loved one.

I also commend what the hon. Member for North Down (Lady Hermon) referred to. In many cases when people come to my office I say, “Were they members of the services or any of the army regimental associations? Because there is help available through the Royal British Legion and the army associations as well.” In some cases they can step in, but not always.

I was a councillor for 26 years and can well remember the odd time when a note was brought to the council saying that someone was to be given a pauper’s funeral in that section of the graveyard. It is unbelievably sad to sit in a chamber when a name comes up and to think, “There must be some family or someone who knows them.” All of a sudden, they are in the paupers’ section. It is a very cheap funeral, but it is unbelievably sad that there is no one to claim the body and, worst still, that no one can afford to claim it.

My office regularly fills in forms, as lots of people come along for help and assistance. They are asked who their next of kin is, and there may be three or four
Members will know that back in 2014, I introduced the Funeral Services Bill. This Bill called for the Government to carry out an overarching review of funeral affordability. At that time, more than 100,000 people were estimated to be suffering from funeral poverty. That means, simply, that they were unable to afford to bury their loved ones or had incurred significant debts in doing so. Since 2004, funeral costs have risen by a staggering 80%, with the average funeral generally costing just under £4,000. In this climate of rising costs, the only payments that have not increased are the Government-administered social fund funeral payments, for which, between 2014 and 2015, the Government turned down 24,000 applicants.

I am really proud that my Bill started a national conversation and gave this issue the prominence it needed. I have continued to campaign on behalf not just of those we know about who are struggling with funeral poverty, but of all those who have stayed silent, or who have stopped me in the street, written to me or sent me deeply personal messages stating that they would never want anyone to ever have to go through what they have—the stress, shame and indignity of not being able to offer their loved ones the one final goodbye they wanted. The pressure of that while trying to grieve is immensely distressing for so many people. In a country where we do not readily talk about death and dying, I have been heartened to see in the past few years a diminishing of the last great taboos of discussing dying and death.

I am not going to spend the time I have today going over how the social fund operates; I think hon. Members have done that justice already. I would like to use the short time I have to share my efforts, and those of other interested organisations since December 2014, in trying to seek some long-needed reform to the social fund payments through the introduction of an eligibility checker, as proposed in my Bill.

In late 2015, I, along with the National Association of Funeral Directors, Citizens Advice and others, attended a roundtable with the then Pensions Minister, Baroness Altmann. There was broad agreement that the introduction of an eligibility check would stem the tide of people committing to costs before they knew of any award, thus avoiding debt. At that roundtable, the Minister gave a cast-iron assurance that she would explore the eligibility-check option.

Correspondence between myself and the Minister continued. She advised me that research into the issues raised was ongoing, as were discussions with stakeholders. In April this year, I wrote to her dismayed that she had not mentioned the eligibility check in her recent correspondence. I pressed her for an update on the research and discussions with stakeholders that the Department had undertaken. I also asked for clarification that, as a wealth of research had already been conducted in this area, her Department were not simply duplicating existing work.

Two months later, I needed to remind the Minister that she had failed to respond to my letter. In that reminder, I also asked that the Government’s response to the Work and Pensions Committee report on bereavement benefits, which also asked for an eligibility check, was corrected, as the Government falsely said in their response that an eligibility checker already exists. It does not and the record has still not been corrected.
I then received a letter simply dated July 2016 from the Minister. It said that:

“we are looking to see if a checker is the best solution”,

and that I would receive an update this summer. The Minister then resigned, saying:

“Unfortunately over the past year, short-term political considerations, exacerbated by the EU referendum, have inhibited good policy-making.”

Well, no shock there.

Although I am always keen to debate these issues, I am totally fed up with the Government’s poor response and incompetence on this issue, and the way in which this Minister’s predecessors have messed me and all these other organisations around. I welcome the new Minister to her place and have read her letter to my right hon. Friend the Member for Birkenhead (Frank Field), who chairs the Work and Pensions Committee. In it, she also writes of conversations with stakeholders. I imagine that stakeholders can only say the same thing so many times without getting completely fed up.

My questions to the Minister today are really simple: what research has been done by her Department? Where on earth can any of us find it? Who are these mystery stakeholders? I want to make it very clear to all those suffering from funeral poverty that even if this Government continue to let them down, I and my colleagues never will.

10.16 am

Ms Margaret Ritchie (South Down) (SDLP): It is a pleasure to serve under your chairmanship again, Sir David. I congratulate the hon. Member for Belfast East (Gavin Robinson) not only on securing and initiating this debate, but on his in-depth analysis of the situation regarding social fund payments for funerals and its background. He said that payments in this area have been frozen for years and discussed the issue of working with the funeral industry. In such circumstances, perhaps capitalism takes over, rather than the needs of the individual.

I am particularly struck by the fact that many people on low incomes who face end-of-life issues, whether abruptly or as a result of a serious illness, are provided with additional stress because of their low income. It is something they could do without, and I immediately think of those I have been involved with. There are people on a low income as a result of their illness—for example, those with contaminated bloods—and have all the associated problems from that. It means they have no ability to work. People may have hepatitis C or HIV, which can bring on death much more quickly; as a result, their relations perhaps cannot pay for funerals. We have to be particularly compassionate and we are looking for a compassionate response today from the Minister. Above all, we are looking for actions.

It is appropriate that we are debating the social fund funeral payments and associated funeral poverty. As the hon. Gentleman and others across the House today have highlighted, although payments may be a devolved matter, the DWP is responsible for the level of payment, which has been frozen at £700 for the past 13 years.

The hon. Gentleman referred to the report published by the Work and Pensions Committee earlier this year. It identified and characterised the crux of the problem as the rising cost of funerals and the decreased value of state funeral payments, which are pushing families into debt and distress. The Minister should take that on board in her response today, in her further interrogation of the matter before a final response is made to the Work and Pensions Committee report and in her further actions, but she should also realise that the changing nature of welfare reform has had impacts that have placed low-income families into greater poverty.

The falling value of state support is exacerbated by the rising cost of funerals. The Fair Funerals Campaign estimates that the social fund now covers, on average, only 37% of an overall funeral bill. At this time of great sadness, and maybe remorse in some cases, high funeral costs are not only an added financial burden. Funeral poverty can cause great distress, and perhaps feelings of shame and stigma, as people struggle to carry out a basic human ritual. The grief and stress caused by the death of a loved one are prolonged and added to by financial worry and hardship. Those in the funeral industry try to delay sending out bills because they recognise that there are particular problems, but there is a need for greater conversation and, as the hon. Member for North Ayrshire and Arran (Patricia Gibson) suggested, a cap on funeral charges, which could assist people on low incomes.

I support the calls from the Northern Ireland Association of Citizens Advice Bureaux, and from others in the independent sector in Northern Ireland who have given so much support to people, that the Department for Work and Pensions should follow the lead of the Scottish Government, who plan to increase the payments once they obtain these devolved powers.

Funeral poverty is a problem not only in Northern Ireland but throughout the regions of the UK. The DWP should increase the level of social fund funeral payments to reflect that, and I hope the Minister will today indicate that the Department wishes to move towards a certain path or trajectory that will allow the unfreezing of funeral payments and a corresponding increase in order to relate funeral payments to the cost of living out there. Indexing the payment is much fairer than the current system, in which we have seen a 15-year freeze as funeral costs soar.

We are discussing a sensitive, sad and regretful situation for many people, and it is important that the DWP engages with the funeral industry, responds to the Select Committee report and introduces a legislative amendment to increase funeral payments whereby those on low incomes who in some instances face the abrupt death of a loved one, or a death following a long period of sickness and inability to work, are given the due solace that they urgently demand and very much deserve.

10.23 am

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Sir David. Like others, I congratulate the hon. Member for Belfast East (Gavin Robinson) on securing a debate on this delicate and emotive subject.

It appears that even the dead are subject to austerity. Real-terms spending from the funeral fund has decreased over the years whereas, as we have heard, the cost of funerals has increased and a £700 cap on particular costs has remained in place since 2003—that has been a
failure of successive Governments. We have heard that the average payment covers only 40% of the average cost of a funeral.

The House has had wider debates about dignity in dying. It seems that the poorest in our society might not get the chance of dignity in death, but the reality is that they are not the ones who suffer. It is their dependants who have the stress of trying to find the money and the stress, and possibly even the feeling of shame, of not being able to send off their loved one as they see fit. Under the current system, dependants also have to live with the stress of signing up for funeral costs, then applying for a grant and then waiting to see what money they might get back.

The processing timescales can also be an issue. Earlier this year I was contacted by a distressed constituent who was advised that the average processing time was five to six weeks. In 2015-16 some 30% of applications took longer to process than the 15-day turnaround target. Such performance is almost commendable given that answers to my written questions have confirmed that the number of staff working in the Scottish fund section of the DWP has halved from 798 in 2013-14 to 349 in 2015-16, which is shocking.

Even after the award of a grant, a family might have to suffer the Secretary of State for Work and Pensions trying to recover the costs from the deceased’s estate. With a static budget of £40 million, I question the value of pursuing estates, which last year returned a yield of only £200,000, or just 0.5%. Will the Minister advise us on the merits of pursuing such estates? What costs are associated with the recovery? The administration probably outweighs the costs recovered.

The only thing worse for families than the stress of waiting to hear how much they might be awarded is the stress of outright rejection. In 2014-15, the rejection rate was 37%, despite a massive decrease in the number of applications since 2010-11. Coincidentally, 2010-11 was the year that budget loans became eligible for funnel expenses, too—that is something on which the Government hold no data. The Government clearly need to streamline the system to make eligibility easier to understand.

Changing tack slightly, Oxfam’s recent report found that the richest 10% of the UK population own more than half of the country’s total wealth. The top 1% own nearly a quarter, whereas the poorest 20% share just 0.8%. What have the Government done about the widening inequality in both life and death? In their most recent Budget, the Tories introduced a measure to help the families of the deceased: inheritance tax relief of some £2.6 billion. There was also a reduction in capital gains tax of some £3.4 billion. That is £6 billion of giveaways to the rich, yet the funeral payment fund stays static at £40 million. The Government could easily double funeral payments to cover 100% of average funeral costs without materially affecting the UK budget. For me, that would be the real face of compassionate conservatism.

I am glad that the transfer of powers means that the Scottish Government have already stated that they plan a 10-day turnaround for applications and a more streamlined and dignified system—they are currently consulting on such matters—but the reality is that they have to manage that within an ever-tightening budget.

As we have heard, the UK Government have no real data to give the Scottish Government a good starting point.

This issue is about doing the right thing, even though many people will not know the importance of such payments until they reach this point in life. The Scottish Government’s attitude in their consultation exercise is to do the right thing, and hopefully the UK Government will learn from that. We certainly do not want to see the return of paupers’ graves. We can afford greater dignity for families suffering bereavement.

10.28 am

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to serve under your chairmanship, Sir David. I thank the hon. Member for Belfast East (Gavin Robinson) for securing this debate on such an important matter. Like many hon. Members here, I participated in last year’s debate on funeral poverty and am pleased to see that the Work and Pensions Committee has since conducted an inquiry into the matter. I agree with the Committee’s recommendation that the price of a basic funeral should be agreed with the industry and that social fund funeral payments should be set at that level.

As others have noted, the level of state support via social fund funeral payments has been frozen since 2003. According to research by the Fair Funerals campaign, the average award of £1,225 covers only 35% of the cost of a funeral. For those who do not meet the qualifications to receive the payment, finding the money to cover the difference is incredibly difficult—many Members mentioned that in this debate and in previous debates.

As indicated by research conducted by the Fair Funerals campaign and others, for various reasons many do not shop around for funeral quotes. Oft times, as my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) said, they are initially offered higher-priced services by funeral directors rather than being given lower-priced services.

I have recently been made aware of a case in my constituency of Coatbridge, Chryston and Bellshill about a local funeral home that, notably, had not signed on to the fair funerals pledge. My constituent had requested a non-essential component of the funeral not be included. However, they were billed for it and later told that they owed the money, because that non-essential service was standard. Furthermore, they were significantly overcharged for services that, because of the circumstances of the death, would have been impossible for the funeral home to provide at all. I do not have time to go into the detail, but when a family member of the deceased attempted to discuss the discrepancies in the bill with the funeral home, they were ignored and forced to pay the bill.

In the light of that case and others that have been reported, I welcome the Work and Pensions Committee’s recommendation that an index of local funeral directors and their comparative costs for a fair funeral should be publicised. I further suggest that the industry-agreed price of a basic funeral—the price at which the social fund funeral payment is to be set—should also be publicised, with a breakdown of the services included in it, as other hon. Members touched on. Easy access to that information would be most helpful, and I would welcome the introduction of an eligibility checker.
In North Lanarkshire, the council area in which my constituency falls, funeral costs rose by 13% between 2014 and 2015 alone. According to Citizens Advice Scotland, the total cost of a funeral for those living in my constituency falls somewhere between £2,600 and £8,000. As more than half of households in North Lanarkshire have an annual household income of under £20,000, the cost of a funeral in my constituency can represent more than a third of annual household income.

The cost is particularly acute since a third of the UK population have savings of £250 or less. Recent reports have found that not only are many unable to pay for the cost of a funeral, but 40% of people find themselves forced to incur high-interest credit card debt or forced to take out a high-interest short-term loan to cover the shortfall. According to a finding published in The Guardian on 20 October 2014, Jobcentre staff have actively been encouraging individuals to take on such debt to pay for funeral costs.

A defence that funeral providers often use is that users have a choice of services. But, given the urgency of the situation, the lack of transparency in the options and costs that many funeral services provide, the cultural and social pressures to provide a good send-off and the difficulty of dealing with any administrative issue while in grief and often shock, some funeral providers are clearly taking advantage.

Given the rising cost of funerals and the number of people forced to take on short-term high-interest debts such as payday loans to pay for them, I suggest that an extension of the eligibility requirements for receiving a social fund funeral payment should be taken into consideration, to limit the number of individuals forced to take on debt to cover the shortfall. The social fund funeral payment is essential for those on lower incomes. However, it is set too low, the administration is bureaucratic and cumbersome for people at their most vulnerable, and the current qualifications for receiving it are too strict. I therefore urge the Minister to work to eradicate funeral poverty through amending the funeral payment; to take those providing funeral services to task; and to consider the recommendations of the Work and Pensions Committee and the points made by hon. Members today.

10.33 am

Chris Stephens (Glasgow South West) (SNP): It is a pleasure, as always, to serve under your chairmanship, Sir David. I join other hon. Members in congratulating the hon. Member for Belfast East (Gavin Robinson) on securing the debate and introducing it in a very effective and compassionate way.

For the sake of those watching the debate, let me start by explaining some of the issues. Social fund funeral payments cover the actual expenses of a funeral, such as the burial plot, grave-digging, cremation fees, reasonable transport costs to move the body and reasonable expenses for one return journey within the UK for a responsible person to arrange or attend the funeral. In addition, as we have heard from other hon. Members, up to £700 can be paid for such things as funeral directors’ fees, flowers, church fees and so on. The payments have been capped at that level since April 2003.

The Welfare Reform Act 2012 extended the scope of budgeting loans to include funeral costs, allowing claimants to top up the payment via loans deducted from their future benefit payments. In our view, that has allowed the UK Government to dodge the responsibility of increasing the cap in line with inflation; the grant today would be £1,027.90, 33% up on what it had been increased in line with the retail prices index.

The funeral payment form can be obtained by going to a Jobcentre Plus office, by downloading it from gov.uk, or with a call to the 0345 Department for Work and Pensions bereavement service helpline, which costs up to 55p a minute from a mobile phone. I put it to the Minister that such helplines should be free to the consumer; they should not have to pay 55p a minute for them. Payments can be, and normally are, recovered from the deceased by the Department. Funeral expenses are legally the first charge on the estate.

The social fund will be devolved to the Scottish Parliament with other social security powers. Separately and in advance, after the scandals about the disposal of infant remains by hospitals and local authorities, the Scottish Government legislated to update the law around burials, cremations and funerals with an Act that was passed unanimously by the Scottish Parliament. The key relevant points are that it gives the Scottish Government the power to regulate funeral directors, issue a code of practice for them—although there are two voluntary trade bodies for funeral directors, around 20% are not members of either—and issue guidance on the costs of funeral expenses, and that it allows local authorities to provide travelling expenses to relevant people in case of the death of a looked-after child or adult.

The DWP social fund funeral payment application form is 23 pages long, with 12 pages of accompanying notes—a lengthy form by normal standards, but particularly strenuous when filled in by someone dealing with death of a close relative or friend. In 2014-15, 59% of applications were successful in gaining an award. The time taken to process the forms, along with the DWP policy to pay only invoices for actual incurred expenses, rather than advancing cash to pay expenses, can mean real problems for those organising funerals and reluctance from funeral directors to allow terms on tick. In contrast to the DWP policy on universal credit, for example, the form can only be posted or handed in to a Jobcentre Plus office; it cannot be done online. That leads to many extra days’ delay through posting and processing. I ask the Minister to look specifically at that issue.

The Scottish Government have highlighted the disparity between the process for paying benefit to a terminally ill claimant and the process for paying for their funeral. Claims based on the DS1500 form take an average of six days to process—one of the few parts of the DWP system that appear to work extremely effectively and efficiently. But when death is, unfortunately, inevitable in the near future, no cognisance is taken in regard to funeral payments. The Scottish Government are examining whether DS1500 applicants or their proxies can apply for the funeral payment and receive a decision in principle before they die, allowing them and their families to plan more effectively and decrease the stress and confusion following their death.

The UK Government cannot go on ignoring the needs of people on low incomes. Funeral costs are, sadly, an inevitable part of people’s lives. Forcing people already on benefits to pick up the enormous cost of a funeral is heartless and cruel. Citizens Advice Scotland states:
“The UK Government’s funeral payments fund has failed to keep up with the real cost of funerals in the last few years leaving some families saddled with debt to bury or cremate their loved ones.”

The average award from the UK Government for help with a funeral in 2014-15 was £1,375—less than 40% of the estimated cost of an average funeral in the UK, which is £3,702. We ask the UK Government to commit to increasing spending and increasing the uptake of their social fund funeral payments, to ensure that payment meets the essential cost of a funeral and to further increase the package available in Scotland.

My hon. Friends the Members for Coatbridge, Chryston and Bellshill (Philip Boswell) and for North Ayrshire and Arran (Patricia Gibson) have already made the point that the UK Government must urgently consider tightening regulation of the funeral industry to ensure that the continuous rising cost of funerals is stopped in its tracks, so that lower-income families are not left with a huge financial burden at their time of grief.

Citizens Advice Scotland said in 2015 that there had been an increase of 35% in the number of advice sessions with clients about funeral costs, taking such sessions to their highest level ever. Within the industry itself, there is also a worrying trend for encouraging people to enrol in what are sometimes cost-inefficient funeral plans, as we have already heard from hon. Members in this debate, in the belief that it will save their loved ones money when the time comes. In many cases, it can mean that the individual ends up paying thousands of pounds more than the actual cost of a funeral.

The Scottish Government’s new powers over funeral payments provide an opportunity to set up a new benefit that is more streamlined, more predictable and better integrated with Scottish policy, as part of a wider focus on funeral costs and funeral planning. The Scottish Government have recognised the impact of rising funeral costs on families on low incomes.

We believe that a new system could help to combat funeral poverty in Scotland. Therefore, the Scottish Government have commissioned a report and recommendations by John Birrell, chair of the Scottish working group on funeral poverty, to consider what action can be taken in a number of sectors. We need to look at speeding up the time it takes for a decision to be made about funeral payments, and we also need to put in place monitoring arrangements to track funeral poverty, alongside plans to evaluate funeral payments.

In closing, I will say that this Parliament had a great debate last year on assisted dying and the consensus of all hon. Members across the House was that people were entitled to a good death. I would like the Government to consider that people are not only entitled to a good death but to a good funeral.

10.41 am

Debbie Abrahams (Oldham East and Saddleworth) (Lab): As always, Sir David, it is an absolute pleasure to serve under your chairmanship.

I start by congratulating the hon. Member for Belfast East (Gavin Robinson), not only on securing this debate but on the compassionate, sensitive and very eloquent way in which he put his case across. In particular, his comments about the importance of ensuring that there is dignity in death as well as in life really resonated with me as I am sure they did with all Members here in Westminster Hall today and beyond.

There have been a number of memorable speeches in this debate. I pay tribute to my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss), in memory of her husband—our dear colleague, Harry—and the personal experience that she went through. She made a point very sensitively, in a speech that was very moving as a whole, about the worry that people experience regarding finances as well as having to come to terms with their grief. Almost across the board today, the point was strongly made that the issues around debt that people face as a result of funeral costs compound their grief. My hon. Friend the Member for South Shields (Mrs Lewell-Buck), following in the wake of her ten-minute rule Bill, very eloquently described the issues that arise.

The Government are facing some confusion around the eligibility checker for the social fund. Does it exist, or not? Will it be used, or not? Progress in this area has been disappointing and I know that the Minister will address that in her response to the debate.

There is an issue about fair funerals. An important point was made about the need for us to consider looking at regulation of funeral services, in light of some of the overcharging that has occurred.

Although the point that the social fund for funeral payments just has not kept pace with inflation is very important, I will not labour it. The hon. Member for Belfast East has already made the important point that the figure for payments is the equivalent of £495 today; it has remained static since 2003 and it does not cover the cost of the average funeral. I would be grateful if the Minister told us what plans the Government have to uprate that figure and said whether any such uprating would be index-linked and continue in the future.

In addition to the adequacy—or not—of the social fund funeral payments, there is also an issue about people’s eligibility for support; again, that point has already been made this morning. That issue must be looked at.

We heard about the approach being taken in Northern Ireland about cohabiting couples. I will cite one of my own constituency cases, involving the father of a constituent. Sadly, my constituent’s father passed away in the summer. He was given a funeral. My constituent’s dad had been living with his partner, but for various reasons his partner did not want to get involved in the funeral and was unable to pay for it. So it fell on my constituent to organise the funeral himself, at a cost of more than £2,000.

My constituent is in a low-paid job and is supported by universal credit, so he could not afford the cost of the funeral. He tried to apply for a social fund payment, but because his father had been living with his partner he was told that he was not eligible. His father’s partner had not applied for a social fund payment, but he was still told that he was not eligible for such a payment. Obviously, my constituent will appeal that decision and he has my support for that appeal.

The eligibility issue has been raised a number of times today and consideration of it was also included in a report by the University of Bath. That report said that...
the Department for Work and Pensions rules take no account of the status of relationships and particularly the quality of relationships. Once again, if the Minister could examine that issue I would be very grateful to her.

The other point made consistently throughout the debate is about the issue of debt, particularly for those already on low incomes. A very valid point was made that I cannot remember who made it—about the context of all the welfare reforms that are currently going through. How on earth are people meant to save for funerals given that someone might die unexpectedly? That is a real issue. There is a scandal here. We had hoped that we had put these stories behind us. We are not in Victorian days—we are the fifth richest country in the world, and there is this increase in paupers’ funerals. As I say, this is not Victorian Britain; this is 21st century Britain and the situation is quite scandalous.

There was a report in The Guardian earlier this year that a Liverpool credit union had been inundated with requests for help, as people tried to acquire cheaper credit; the alternatives were payday loans or, even worse, going to loan sharks. Meeting funeral costs is a real worry for people. Similarly, the UK Cards Association says that payment of funeral costs is the single most placed payment that people make using credit cards. I am also worried that the Government are not collecting any data on this issue and that we cannot monitor the worsening state of affairs. Again, I would be very grateful if the Minister said exactly how she intends to address these issues.

There is a silent epidemic of funeral poverty, which, as I say, has been adding to the grief of losing a loved one. Given the Prime Minister’s very welcome words about tackling the injustices in this country, could this be an area where the Government take action? We need action and not just words.

10.48 am

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): It is, of course, a pleasure to serve under your chairmanship today, Sir David.

I add my congratulations to those that have already been offered to the hon. Member for Belfast East (Gavin Robinson), not only on securing this important debate but on the sincere and thoughtful way that he has addressed a really difficult and emotional subject. Many Members have already paid tribute to him for how he has tackled this issue, but I also thank him for the particular way that he has addressed it.

Of course, a period of bereavement is a very difficult time; bereavement is one of the toughest experiences that any individual or family will ever face. This debate has raised many very important issues and asked important questions about how the Government can best support the bereaved and vulnerable people who are going through that experience, including the practical challenges that bereavement causes.

I fully understand the importance of providing the right support at the right time. The hon. Member for Belfast East has caused me to consider the real cultural differences in different parts of the United Kingdom. His example from Northern Ireland, where a funeral will usually be conducted within just a few days, highlights that the issue is about ensuring that the support is there in a timely fashion. There is a big contrast with other parts of the UK, such as England, where the period before the funeral might be as long as three weeks. I thank him for making me think about that this morning.

An awful lot of work has been taking place on funeral payments and support for the bereaved. I pay tribute to the hon. Member for South Shields (Mrs Lewell-Buck), even if she asked me some challenging questions this morning. She has been most robust in how she has tackled my Department on this matter. She had a private Member’s Bill last year, and my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) raised the matter in a Westminster Hall debate last year.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) mentioned that debate, and I thank the hon. Member for Strangford (Jim Shannon) for mentioning the fact that I raised this issue in a Westminster Hall debate, albeit at somewhat of a tangent to this morning’s debate; I think that was two years ago. Perhaps this is an annual occasion in Westminster Hall, where we have the opportunity to raise these serious issues and to discuss—for me, from a very different position—the challenges that remain within bereavement services and how the Government and the funeral industry can help. If I remember correctly, when I raised the issue, I was particularly tackling the relationship between funeral directors and hospitals.

More recently, members of the Work and Pensions Committee—I thank them for their work; they are not here today because they are serving on the Committee—have looked in detail at the support the Government provide for the bereaved. I thank them for their insight and recommendations. In particular, I thank the Chairman for the correspondence we have shared since I came into this post.

Quite rightly, the debate has focused on the costs of funerals and on the application process for funeral expenses payments. I will respond to those points and to many of the other points that have been raised, but first, it is important to set on the record the support that the Department provides for vulnerable people at a difficult time. We continue to make a significant contribution towards the cost of a simple, respectful funeral for applicants on qualifying income-related benefits. We meet the full necessary costs of a burial or cremation, which we know can vary. Before I came to this place, I was the cabinet member in my local authority with responsibility for cemeteries and graveyards. I can remember that we constantly reviewed the costs of burial plots and compared how they varied across even one county. Those costs vary enormously across an entire country.

The cost of any medical references or the removal of active implanted medical devices will be covered for cremations, as well as reasonable costs if a body has to be moved more than 50 miles. Travel costs are covered for the applicant to arrange and attend the funeral. In addition, as many Members have said, the Department also meets other costs up to a maximum of £700. In 2014-15, funeral expenses payments were paid for around 6% of deaths in Great Britain. The average payment made has increased in value over the past 10 years by about 27%—from £1,081 in 2005-06 to £1,375 in 2014-15—as necessary costs have increased.

Despite the current economic uncertainty and pressures for savings, we have protected the £700 limit for other costs people face. However, we know that in the majority
of claims the other funeral costs exceed the £700 limit. In 2012, we made interest-free social fund budgeting loans available for funeral costs in addition to the funeral expenses payment. Last year the average award for budgeting loans was £413.

The loans can be crucial in supporting people at a difficult time by ensuring that they do not face financial pressures caused by turning to high-cost lenders or credit cards. We have heard from Members about payday loans and the use of credit cards for paying funeral costs. It is important to emphasise that we made those payments available in 2012 and that they are interest-free. It is worth noting that this country provides the most generous support, after Norway, for funeral expenses compared with other European countries. However, we know that there is more we can do, and I want to turn to the specific issues raised during the debate.

The hon. Member for Belfast East spoke eloquently and with a great amount of detail, much of which pertained specifically to Northern Ireland. He will know that the Northern Ireland Executive are responsible for the funeral expenses payment scheme in Northern Ireland. He raised a very specific matter about bereavement benefits and cohabiting couples. He mentioned the recent court case, which indicated that the Northern Ireland Executive would have to treat cohabiting couples the same as married couples. I am aware that the Executive are appealing the case, and we understand that a date for the appeal hearing has been set for 24 October this year. The Government are watching that matter closely and will consider the implications of the outcome of that appeal.

The hon. Gentleman and many other Members have mentioned the issue of eligibility checkers. We have considered the merits of an online checker, but that can cause additional confusion to bereaved people. The research we have done with service users indicates that the bereaved often prefer to talk to someone in person. That was something I discovered when talking to the banking industry.

When the next of kin has to report a bereavement to the bank, they often prefer to do it in person or by talking to someone, rather than doing it online. That is why we have a dedicated bereavement telephony service, where staff are incredibly highly trained. They are specialists in what they do. At the end of the day, we are determined to provide the best service and the service that people want in their time of need.

We are investigating other solutions, including giving claimants an earlier decision on eligibility before they commit to funeral arrangements, but we want to test that with users. Via the social fund, the Department collects and publishes comprehensive data on applicants, application and award volumes, expenditure and processing time. That allows the Department to monitor the operation of the scheme. Extra data could be generated, but that would come at a significant cost, both in money and time. Although the £700 is not index-linked, there is no cap on the necessary costs category, which is where we have seen much of the inflationary pressure. Inflation in funeral costs has been reflected in the year-on-year rise in average payment amounts. As I said earlier, the average payment has increased in value by about 27%.

In the short time I have left, I pay particular tribute to the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss). She adds a very personal dimension to this issue, and I thank her for sharing her experiences with us. We are considering a systematic review with the industry on the causes of funeral cost inflation. The hon. Member for South Shields talked about round tables and discussions with the industry and stakeholders. I assure her that if Twitter is anything to go by, there is absolutely no reluctance on their part to meet me and discuss these important issues. I have meetings scheduled for next month, when we return after the conference recess.

The hon. Member for North Ayrshire and Arran mentioned the consultation with the Scottish Government. As she might expect, we are watching that closely. We are having ongoing discussions with the funeral industry, academics and bereavement services to ensure that we continue to look at this important issue. We believe that the best approach is to work with the industry, rather than dictating a cap on costs, but we want to see absolute transparency on costs and the provision of price lists that people can take away from funeral directors. Through that, the bereaved will have greater knowledge of what they are paying for and how much things will cost them.

When considering the level of support for funeral costs, a balance needs to be struck. We do not want to see the funeral expenses scheme influence or inflate the prices charged by the industry for a simple funeral. The scheme cannot undermine personal and family responsibility for meeting funeral costs. I take on board the point that the hon. Lady made about payment schemes. If nothing else, the debate has caused me to think carefully about how we can best encourage people to find responsible schemes, should they wish to take out some sort of insurance policy.

I am conscious that I am very tight on time. I will draw my speech to a close simply by thanking Members for a very constructive and informative debate. The points made will certainly help my discussions with the industry.

Question put and agreed to.

Resolved,

That this House has considered Social Fund funeral payments.
Airguns (Under-18s)

11 am

Mr David Hanson (Delyn) (Lab): I beg to move,

That this House has considered the use of airguns by under-18s.

It is a pleasure to serve under your chairmanship, Sir David, and to have the opportunity to raise this issue so that the Minister can deal with it. The genesis of this debate commences with the tragic death of George Atkinson at the age of 13 as a result of an airgun accident. It is the wish of George’s parents, John and Jayne Atkinson, my constituents, to support action to help prevent such a tragedy from happening again. Although the events of George’s death happened 17 years ago, I do not need to remind the House that the pain of that loss remains strong for the family. The wish to help to prevent further such tragedies remains strong. Sadly, the circumstances of George’s death could be repeated today unless further action is taken, which I hope the Minister will consider.

I will explain what happened to George on that day in July 1999. George died when a pellet from an airgun hit his head following the gun going off accidentally in the home of his cousin, aged 10, who was with him at the time. The boys were in the garden of the property with at least five other children when the incident occurred. George and his cousin had got access to the gun from the property. In handling the weapon, the trigger was inadvertently pressed, resulting in an injury to George that led to his death. It was an accident and a terrible loss of life. I had met George at his school previously. He was a lovely bright boy with a promising future. His loss of life. I had met George at his school previously.

The family recognise that George’s death was an accident. Both then and now, they have been steadfast in the demands that they want to be considered. At the time of the accident, Mr Atkinson, George’s father, was quoted in a newspaper:

“We don’t blame anyone and we are not calling for changes to the law to ban air weapons—all I would say is that air weapons should be kept in a locked cabinet of suitable quality.”

Sadly, George’s death is not the only case where a child has been killed. There have been 17 deaths in the last 27 years, including one earlier this year. There have been 21 incidents of injury to persons between March 2015 and March 2016. I met Jayne again recently at my surgery. Her concerns remain and it is my duty, as her Member of Parliament, to bring them before the House today.

The family have asked me to raise two specific issues, which I hope the Minister will look at. First, they have asked for air weapons and ammunition to be securely locked away in properties, on the same principles as section 1 firearms. That is a simple issue that I will return to in a moment. Secondly, they want the UK Government in England and Wales to review the policy on the licensing of airguns to be adopted in Scotland at the end of this year. The family simply want me to ask a question: if it is positive and good enough for Scotland, what is the position in relation to England and Wales? I will take each issue in turn.

First, on secure control, as the Minister knows, airguns of low power are not subject to firearms legislation and can be held without firearms or shotgun certificates. There is a comprehensive list of legislative requirements that cover airguns, which I support and do not want changed, but for the purposes of this debate it is worth reminding ourselves of those regulations. Low-powered airguns—the most common type of airgun, usually used for target shooting or vermin control—are not subject to licensing under the Firearms Act 1968 and can therefore be held without a firearms or shotgun certificate. High-powered airguns with self-contained gas cartridge systems require the requisite licence or authority issued under the 1968 Act. There are a range of other measures in place that I support, which are strong and are recognised as necessary.

It is an offence for a person under 18 to purchase or hire an air weapon or ammunition for an air weapon; an offence to sell, let on hire or make a gift of an air weapon to people under the age of 18; and an offence for anyone under the age of 18 to have with them an air weapon or ammunition for an air weapon, unless they are supervised by a person aged 21 or over, are part of an approved shooting club or are shooting at a shooting gallery and the only firearms being used are air weapons or miniature rifles not exceeding .23 inch calibre, or unless the person is 14 years old or above and is on private premises with the consent of the occupier.

It is an offence to part with possession of an air weapon, or ammunition for an air weapon, to a person under the age of 18; an offence for a person shooting on private land, regardless of age, to use an air weapon for the firing of a pellet beyond the boundaries of the premises; an offence for a supervising adult to allow a person under the age of 18 to fire a pellet beyond the boundaries of premises; an offence for any person to have an air weapon in a public place without a reasonable excuse; an offence to trespass with an air weapon, whether in a building or on land; an offence to have an air weapon if prohibited from possessing a firearm; an offence to fire an air weapon without lawful authority within 50 feet—15 metres—of the centre of a public road; an offence to recklessly kill wild animals, birds or live quarry with an air weapon; an offence to cause a pet or animal to suffer unnecessarily; and an offence to use an air weapon with intent to damage or destroy property. Those are strict conditions. No one would deny that they are right and proper. I am not attempting to change those conditions or to water them down. My focus is elsewhere.

Although my focus is on injury to under-18s and their potential access to air weapons, I have also had a briefing from the Royal Society for the Prevention of Cruelty to Animals, which has indicated that, despite the strict conditions, there has been an increase of 49% in complaints about airgun attacks on animals over the past two years compared with 2010 to 2012. The RSPCA has asked for licensing to be looked at and for the age of unsupervised use of airguns to be raised from 14 to 17. I hope the Minister will reflect on that; it requires a response.

However, I want to focus on the key point that the family have raised with me—the definition of what happens. The incident that led to George’s death happened despite all the conditions in place for keeping airguns safe in a property, and they could still lead to potentially dangerous activity today. The law currently states:
I want to ask the Minister, on behalf of my constituents, what a reasonable precaution is. If the air weapon was a proper firearm—I say that pejoratively; it still has the ability to kill—it would be required to be kept locked in a metal cabinet with access denied to anyone but the keyholder. It would be under the control of the keyholder under the regulations that I have referred to.

I want the Government to consider a simple, small change on behalf of my constituents—a small, but important change that would bring the current legislation on air weapon ownership into line with the ownership of other weapons. The wording of the current legislation should be tightened to clarify that air weapons must be stored and locked in a metal gun cabinet. If that were the case and we had greater controls, we might prevent further tragic incidents, such as that which happened to my constituent, George Atkinson. At the moment, it could happen tomorrow, to anybody who has airguns in their property.

Although clarifying the legislation might not stop an incident occurring—because people can leave cabinets unlocked—it will ensure that if an incident does occur, there is clarity about who is responsible, why it has occurred and where there has been a failing. I do not believe there is sufficient clarity in the current definition of “reasonable precautions”. The phrase does not mean anything—it is open to judicial discretion. It does not mean a locked metal cabinet. This is a small but significant change, which would deter unauthorised access, particularly among individuals under the age of 17. In this case, they were as young as 13, and George’s cousin was 10. They explored the use of that weapon and had access to it because of the lack of secure protection.

The family have not asked for this, but it is an important issue for me: there should also be a requirement for all new air weapons to be sold with a trigger lock. In my constituent’s case, access to the weapon was possible because it was not in a locked cabinet, but the accident that resulted in my constituent’s death happened because they touched the trigger and did not expect the trigger to be used. It was an accident. With not just a locked cabinet but a trigger lock on the airgun, authorised use is controlled. This is not about banning airguns; it is about providing an additional safeguard. George’s death exemplified how a trigger can accidentally be pulled and result in death. The purchase of trigger locks with air weapons would greatly improve the safety of those weapons and militate against George’s case being repeated.

The family has also looked over the border and asked that I seek clarity on the Government’s position on licensing arrangements, given what is happening in Scotland. I have sat where the Minister sits, in that Department, doing that job. I know how difficult the challenges are. I am not today arguing for a licensing system, but it is important get clarity on the issue, given that from 31 December there will be a licensing system in Scotland. Those wanting to buy an air weapon will have to apply for a licence as if it were for a normal firearm. Although there are already conditions in place, the licensing regime will provide further elements of control over access to those weapons.

Jim Shannon (Strangford) (DUP): I thank the right hon. Gentleman for giving way—I did seek his permission to speak before the debate, Sir David. There are 34 items of legislation in place in relation to firearms. The British Association for Shooting and Conservation has put forward some recommendations, including that no one under the age of 18 should have an air rifle except under supervision. Does the right hon. Gentleman accept that the legislation in place is fairly thorough? Does he feel that enforcing supervision more rigorously might be a way of moving forward?

Mr Hanson: If the hon. Gentleman had been here at the start of the debate, he would have heard me list most of those 34 items of legislation, because I recognise that those are important pieces of legislation. I am asking the Minister to look at two simple things: a lockable cabinet, so there is no access by children and young people who do not realise that this is a weapon that can kill, even though there are regular controls; and the issue of trigger locks. I entirely concur with the hon. Gentleman—the next portion of my speech covers this point—that it is important, as part of general understanding, that those who have weapons are encouraged to look at the good husbandry of those weapons. I spoke to a number of shooting organisations and individuals prior to the debate. They are very keen to ensure that we have proper training and proper use of gun clubs, with people getting involved in air gun clubs, so that they understand the complexities of the weapon and the fact that they can still be weapons that can cause danger and death if misused, despite all the legislation I have mentioned.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): The right hon. Gentleman has not yet mentioned the storage of ammunition and I wonder if he is coming to that. With shotguns and other firearms there are quite strict regulations about separate storage, so that even if kids get into the gun cabinet, they do not find the ammunition alongside the gun.

Mr Hanson: I am grateful to the hon. Gentleman for raising that point. It is another central point about lockable cabinets—perhaps I should have made it clear that I mean separate, lockable cabinets for a weapon and for ammunition.

Given the time left now in the debate, the purpose is not to raise wider airgun issues; it is to focus on those two issues. It would not be damaging to responsible airgun owners, or to those whom the hon. Member for Strangford (Jim Shannon) wishes to support and defend, to have lockable cabinets for ammunition and for the gun. That would not be to the detriment at all of all those users. The second issue is for trigger locks to be looked at as an additional protection, because all of us have been children, interested in exploring and looking at what our parents do. The management of those issues is extremely important to ensure the safety not of the responsible users, but of those who do not know the capacity of the weapon that might be available to them. In George’s case, that led to his tragic death.
Jayne and John Atkinson have continued to press this issue over many years, including through me. I hope that I have now put it on the Minister’s agenda. I would welcome his view on the three main points and his response on the issue of licensing.

11.16 am

The Minister for Policing and the Fire Service (Brandon Lewis): It is a pleasure to serve under your chairmanship today, Sir David. I congratulate the right hon. Member for Delyn (Mr Hanson) on securing the debate, as it is on not just an important subject but one that I know he cares passionately about. He has been concerned about and has been working on the issue for some time following the tragic death of his young constituent, as well as during his time at the Home Office. It is worth noting that, sadly, only this month a young man aged just 19 died from injuries sustained from an air weapon, which again brings home to us the seriousness of any kind of weapon.

The right hon. Gentleman outlined some very important points. We can all agree that gun controls are needed to minimise the risk of harm to the public. The regulation of air weapons has long been a matter of passionate debate, with lawful users arguing that they should be allowed to enjoy their property without unnecessary restrictions, and those who argue for tougher regulation to improve public safety. Public safety is naturally at the top of my agenda as a Home Office Minister, but I am also keenly aware of the need to strike the right balance—and there is a balance to be struck, particularly on weapons that present less risk and that are used in well regulated environments such as shooting clubs.

As the right hon. Gentleman said, this country has some of the most robust firearms regulations in the world. The statistics show that those regulations work and are effective. The number of firearms offences recorded by the police fell by 40% between 2009-10 and 2014-15, including a 40% fall in offences involving air weapons. There were fatalities as a result of those offences in 2014-15, but in that year they were at the lowest level since records began back in 1969. That shows that the regulations are working, but any injury, let alone a fatality, is one that none of us wants to see.

Although offences involving air weapons are often less serious offences, we have to be very clear and make sure that the public are aware that these weapons can cause death or serious injury. In 2014-15, there were no fatalities but there were 37 serious injuries as a result of offences. However, there were small rises in the number of offences involving both air weapons and other weapons last year, and as we have heard this morning, deaths can occur due to both offences and accidents. We must not and cannot be complacent, and that is why we are currently strengthening the legislation further in the Policing and Crime Bill and targeting loopholes often used by criminals. I will return to that point in a moment.

The law recognises that some air weapons are more dangerous than others. Only lower powered air weapons can be held without a licence or certificate. More dangerous air weapons are classified as either civilian section 1 firearms or prohibited section 5 firearms. A licence or certificate is required for section 1 or section 5 firearms and is issued only to suitable persons by the police or the Home Office. The Scotland Act 2012 devolved responsibility for lower powered weapons to the Scottish Government who, as the right hon. Gentleman stated, introduced a licensing regime under the Air Weapons and Licensing (Scotland) Act 2015. He asked us to bring in a similar scheme here, and the hon. Member for Strangford (Jim Shannon) talked about the way things are monitored in people’s homes. We have to recognise that Scotland has a different framework of offences, so we are not necessarily comparing like with like.

The misuse of air weapons in this country is caught by the criminal law, and the restrictions in place on the sale and possession of air guns are a proportionate way of protecting public safety. Although no licence is required to possess low-powered air weapons, they are still tightly regulated. As we have discussed, the sale of air weapons, which are firearms, is prohibited to those under 18. Except in special circumstances, under-18s cannot possess them; the exceptions include the use of the weapon as a member of an approved shooting club and being under the supervision of a person who is at least 21. That supervision is important, and we need to ensure we are all educated about it.

It is an offence for a person to trespass with an air weapon or to have one in a public place without a reasonable reason to be there. As well as the criminal use of air weapons, there have been tragic accidents, as the right hon. Member for Delyn outlined, which have sometimes involved young children or teenagers with unsupervised access to air weapons. We are all responsible, if we are in that position, to make sure unsupervised access does not happen.

We recognise that it is important that those who lawfully possess air weapons store and handle them securely and safely. The Home Office provides guidance on the sort of practical steps that can and should be taken to secure air weapons, and on how to handle them. It is an offence for a person to fail to take reasonable steps to prevent unauthorised access to their airguns by those under 18.

Mr Hanson: I accept that point, but what are reasonable precautions? For clarity, we should say that air guns should be locked in a secure metal cabinet. That is a reasonable precaution in my view, but there is no definition in the current legislation.

Brandon Lewis: It may be necessary to take a higher level of precaution, for example, when an air gun is stored in a house with children. That is a good example of the right hon. Gentleman’s point. We need to recognise what is reasonable. The whole point of having a check of reasonableness is that what is reasonable can vary according to the circumstances. For example, although locking away an airgun when not in use is reasonable for many people in many circumstances, the use of a trigger lock might be sufficient. The right hon. Gentleman and I had a brief conversation about that before this debate. I will take away that point and look at it further, and I will come back to him in writing shortly. We need to get the balance right between reasonableness and ensuring people are safe.

As I said earlier, the Policing and Crime Bill contains a number of provisions to strengthen the regulation of firearms, including a new definition of lethality, which
Brandon Lewis

will clarify the law relating to firearms, including air weapons. The Firearms Act 1968 defines a firearm as “a lethal barrelled weapon of any description from which any shot, bullet or other missile can be discharged.”

That makes lethality integral to knowing whether something is a firearm, yet the law does not define what lethality is. That raises a number of problems, which the Bill will resolve by defining lethality as a muzzle kinetic energy of 1 joule. That follows a recommendation by the Firearms Consultative Committee.

We recognise that there are legitimate uses of air weapons, such as shooting sports, so we need to strike a balance, but I am cognisant of the fact that we must keep firearms control under review to ensure that we always do everything we can in a reasonable way to protect public safety. That is why, as I said a few moments ago, I will look at the specific point that the right hon. Gentleman raised about security and the locking away of firearms and weapons as part of a reasonable approach to ensuring we have a safe and secure environment.

Mr Hanson: Before the Minister sits down, will he give me a commitment to look at the issue of compulsory trigger locks? The current legislation mentions reasonable precautions, but there is no definition of “reasonable”, no requirement to have a trigger lock and no requirement to have a locked cabinet. I want the Minister to look at those issues seriously and reflect on them.

Brandon Lewis: The outline is there for a reasonable approach that will allow flexibility for the authorities and individuals. If somebody owns a gun, they have a responsibility to ensure they are acting in a safe and appropriate manner. What is reasonable in one place can differ from what is reasonable in another. For example, a household that has children is different from a household that does not. The law reflects the need for flexibility. I take the right hon. Gentleman’s point on board, and I will look at it and the point about trigger locks. I will write to him shortly.

Question put and agreed to.

11.26 am

Sitting suspended.

Cross-departmental Strategy on Social Justice

Nadine Dorries in the Chair

2.30 pm

Fiona Bruce (Congleton) (Con): I beg to move, That this House has considered cross-departmental strategy on social justice.

I am delighted to have secured this vital debate, which I applied for with my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), on the importance of joined-up thinking on social justice. I am delighted, too, that we have obtained it so early in our new Prime Minister’s tenure, because my right hon. Friend has already made it abundantly clear that she is personally interested in social reform and in continuing the one nation tradition that has been a consistent and defining strand of 21st-century conservatism.

I propose to use family policy as an example of an area in which greater cross-departmental strategy, involving several Ministers and one Cabinet-level Minister with overall responsibility as a primary element of his or her portfolio—not only as an adjunct—could reap exponential benefits, in particular for the poorest families in our society. That is crucial, because as many Members present today know—I thank those attending for their support, in particular those on the Government Benches—family breakdown is a key driver of poverty. It causes so many problems, not least financial ones, but also problems in health, including mental health, educational difficulties—leading to employment disadvantages—addiction and housing pressures.

In taking charge of the newly minted Social Reform Cabinet Committee, the Prime Minister has put social justice right up there on her list of priorities, alongside Brexit and the economy. The message could not be clearer. She stood on the steps of No. 10 and talked about governing for everyone:

“That means fighting against the burning injustice that, if you’re born poor, you will die on average 9 years earlier than others.”

She also highlighted the fact that

“If you’re a white, working-class boy, you’re less likely than anybody else in Britain to go to university.”

She has indicated that she intends to take personal responsibility for changing such unacceptable realities. To my mind, that is not only encouraging, but exciting.

Moreover, I applaud the Prime Minister’s stated ambition, a “mission to make Britain a country that works for everyone”.

Most, if not all constituency MPs must have completely agreed with her when she said:

“If you’re from an ordinary working class family, life is much harder than many people in Westminster realise.”

We all very much want to work in harness with a Government who see it as their duty to deliver success on behalf of everyone in the UK, not only the privileged few, and who also have social justice explicitly at their heart.

Let me explain what I mean by using the example of family policy. I am sure that other hon. Members will have other policy areas to share. For too long, there has been a view in Government that an aspiration to help
families struggling to nurture their children and to hold down stable relationships was indefensibly interventionist and intrusive. Before my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) laid bare the social, financial and emotional costs of family breakdown in our poorest communities in his paradigm-shifting reports, “Breakdown Britain” and “Breakthrough Britain”, fractured families were simply not considered policy-relevant. He punctured the myth that relationship breakdown was none of the state’s business by pointing out that the public purse was picking up the tab and by exposing the easy complacency of those who are better placed in our society.

I accept that no social stratum is immune to family difficulties. I know that from almost 30 years of leading a law firm specialising in family law. Many people in this House, for example, come from broken homes or have seen their own marriages falter, and no one judges them. However, the social justice narrative articulated so eloquently by my right hon. Friend the Member for Chingford and Woodford Green and the Centre for Social Justice highlights how more advantaged people tend to experience family breakdown somewhat differently from people in our poorest communities—although I have to say from my own experience that children can suffer grief from relationship breakdowns however affluent their background.

When the family relationships of those from better-off backgrounds experience shipwreck, they or their parents can deploy reserves of social and other capital to soften the potentially harmful effects on them and the children involved. For example, in good schools, staff are less embattled than in deprived areas and have more time for each individual pupil; or the family might have enough cash that a split does not plunge the people involved into poverty or they can pay for counselling.

All that stands in stark contrast to what happens for the poorest 20% of society, where debt, educational failure, addictions to substances, and under- or unemployment often conspire together to compound the damage of broken relationships. Such pressures make relationships hard to maintain, or for parents to spend time with their child to encourage interaction between them. As a result, half of all children in the poorest 20% of society—those, perhaps, the “two nations” we now have—those, perhaps, the preserve of the rich, who benefit from the association of people in our wealthiest communities.

Mr David Burrowes (Enfield, Southgate) (Con): I congratulate my hon. Friend on securing the debate. Her words are important and resonate with those in a recent speech by the noble Lord Sacks, who referred to the “two nations” we now have—those, perhaps, the preserve of the rich, who benefit from the association of children with two parents, and those who do not, the 1 million children who have no contact whatever with their father.

Fiona Bruce: Yes, Jonathan Sacks, who is so respected and speaks from a heart of compassion, indeed said that. I very much support those words, because we know that about 1 million children have little or no contact with their fathers, and they are vastly under-represented in our poorest communities.

What I said about the poorest 20% on the income spectrum holds true for those who have a bit, but not a lot more. The Institute for Social and Economic Research found that, on average, women’s incomes dropped by more than 10% after a marital split, and that family breakdown is a route into poverty for many. The single fact of family breakdown can tip people out of a degree of financial security and into a much more precarious and uncertain set of circumstances, in which they are also far more dependent on the state.

As I always state in such debates, I make no criticism or condemnation of single parents. So many of them strive so valiantly to support their children and to do their very best for their family, often in challenging circumstances. However, the fact is that lone-parent households are twice as likely to be in poverty as couple families. In 2015, 44% of children from lone-parent families were in households living on less than 60% of median income, as compared with 24% of children from two-parent families. Inevitably, single parents struggling to juggle their time will face greater challenges to spending time with their children.

Some might suggest that parents raising children on their own should simply receive more support from the state, but single parenthood is a risk factor for poverty internationally. Swedish statistics show that parental separation is the biggest driver into child poverty, by a large margin, and that is in the country with the most generous welfare regime in the world. The state does not and cannot protect a child against the absence of a relationship missed with one parent or another. As this Government’s emphasis on life chances has made clear, however, we cannot look only to the effects on income. Poverty is not only about money, but about many other things in life, not least, particularly in a child’s life, poverty of relationships. How are the nation’s children and young people faring in terms of their mental health and wellbeing?

Research commissioned by the previous Labour Government shows that children who experience family breakdown are more likely to experience behavioural problems, to perform less well in school, to need more medical treatment, to leave school and home earlier, to become sexually active, pregnant or a parent at an early age, and to report more depressive symptoms and higher levels of smoking, drinking and other drug use during adolescence. The most up-to-date research also demonstrates those associations. The recently published “Longitudinal Study of Young People in England” found that young people in single-parent families had greater mental health challenges than those with two parents, and there was a greater likelihood of them being above the “caseness” threshold, which means that someone is suffering from such psychological distress that they need clinical help.

Michelle Donelan (Chippenham) (Con): I welcome my hon. Friend’s comment that social injustice is based not just on financial poverty but, in effect, on social poverty—things such as bereavement, family breakdown and children’s time being consumed by them acting as carers. Does she agree that we should look at how things such as the pupil premium are calculated to ensure that they take into account the whole range of social injustices that children in this country face?

Fiona Bruce: We certainly need to look at a range of solutions for supporting such children more, and that could be one. My hon. Friend raises the concerning
issue of young carers, who are certainly under-supported and under-resourced and whose number is underestimated, as I know from my own area.

I am a patron of a young persons' mental health charity, Visyon, which cannot cope with all the requests for help that it receives, including from children as young as four years old. I recently asked how many of those children that it receives, including from children as young as four years old, have mental health issues because of relationship difficulties, and the answer was virtually all of them. Similarly, young people in step-families were reported by the longitudinal study that I referred to as being significantly more likely to be above the caseness threshold than those living with two parents. We are often reminded of the need for more and better mental health services, but the role of family breakdown in fuelling that need is almost never mentioned. Would it not be wonderful if we could start to look earlier in the chain of difficulties and challenges that such children experience at how we can prevent family breakdown from occurring, as it does in so many cases?

When the study that I referred to was publicised, digital media received the lion's share of the blame for driving poor outcomes. I have no doubt that over-exposure to screens and the online world does children and adolescents no favours—I and many other Members spoke about that only yesterday during the debate on the Digital Economy Bill—but digital media are here to stay, and we must be ruthlessly honest that family background can make children more likely to get less help than they need to navigate the challenges of the digital world. That is why I said in that debate that

"whatever protections the Government devise, they cannot be comprehensive. Parents need to be given as much information and support as possible to enable them to engage with and protect their children from harmful behaviour online in what is a very challenging environment for many parents."—[Official Report, 13 September 2016; Vol. 614, c. 841.]

That might not be the responsibility of the Ministers promoting that Bill, but I believe that it should be grasped by someone in government.

Families with two super-invested parents who have time and motivation to supervise their children's internet use and coach them to be savvy digital natives are at a distinct advantage over others in helping to protect their children from harmful behaviour online in what is a very challenging environment for many parents.

“Schools would seem ideally placed to cut through to all young people in Year 10 and provide them with the support that they need around wellbeing”.

I accept that schools have an important role to play—with some 80% of the factors influencing pupil achievement coming from outside school, and family influence is particularly strong. Equipping and educating parents must include helping them when their own relationships are under strain and being honest about the effects that a culture of family breakdown has on the next generation.

The Government has a self-interested responsibility in this area, given that young people with poor mental health and wellbeing often grow up into adults who struggle, with implications for employers, national productivity and health services. University College London's research department of epidemiology and public health has shown that 60-year-olds still suffer the long-term effects of childhood stress linked to the trauma of family breakdown. As someone who has been involved in a law firm that has undertaken family work for three decades, I can confirm that the bereavement and grief that young people feel from missing relationships can be profound and last a long time.

Members will be pleased to hear that that brings me back to the title of the debate, “A cross-departmental approach on social justice”, which has clear implications for the Prime Minister's broader social reform goal. I have touched on just some of the social problems that restrict a child's life chances and make life in Britain much less fulfilling and prosperous for so many than we in this place want it to be. If we are to cut through and make a lasting difference to those problems, a much more concerted and co-ordinated effort has to be made from the very top of the Government to address family breakdown than has been made to date.

Caroline Ansell (Eastbourne) (Con): I am grateful to my hon. Friend for securing this important debate. Children's experience of school demonstrates perfectly how their experiences transcend departmental lines. You—she, rather—will not be surprised that when I spoke to colleagues in my constituency who work in the education sector, their primary concern was not curriculum reform, exam success, assessment or even funding, but children's mental health. That has an impact not only on health policy but on children's education—and their life chances, for which the Department for Work and Pensions is responsible.

Nadine Dorries (in the Chair): Ms Ansell, I am more concerned about the length of your intervention than your use of the word “you”.

Fiona Bruce: My hon. Friend puts that point very succinctly, and better than I have in my prepared speech. She speaks not only from long experience but from the heart. Her commitment to family concerns has become succinctly, and better than I have in my prepared speech. Thank her for that.

There are examples of good practice in the form of joined-up governmental thinking. The previous Social Justice Cabinet Committee found that when Departments took a strategic approach to working together on issues such as the dreadful outcomes for care leavers, on which the DWP's work was backed up by the work of the Department for Education, the then Department for Business, Innovation and Skills, the Department of Health, the Department for Communities and Local
Government, and the Ministry of Justice and others, they could generate a wave of reform, not just a few isolated initiatives. For example, Jobcentre Plus advisers noted that when they have care leavers in front of them, they will get extra support or flexibility, including early access to the Work programme; there are more funds for housing for those people and help for them to save through the junior ISA; and there is a care leavers champion in the criminal justice system. The list of co-ordinated Government action is long and should make us and our former coalition partners proud.

I and many others were deeply encouraged when Lord Freud explained during the Report stage of the Welfare Reform and Work Bill in the House of Lords that the life chances strategy would cover measures relating to “family breakdown, problem debt, and drug and alcohol addiction.”—[Official Report, House of Lords, 25 January 2016; Vol. 768, c. 1084.]

I welcome that. It would be wonderful for the kind of cross-departmental work and ministerial leadership that we have seen on support for care leavers to be applied to family life. When it comes to the knotty problem of family breakdown, I am an incurable optimist, despite my law firm background, but I doubt our ability to successfully reverse the epidemiologically high rates of divorce, separation and family dysfunction in our society unless there are clear accountabilities across the full range of Government Departments represented in the Social Reform Cabinet Committee.

I pay tribute to my noble Friend Lord Farmer for his commitment to promoting and strengthening family life and all he has done in this place. I also pay tribute to Dr Samantha Callan, who works with him, for the many years of work research and advice she has dedicated to this field, particularly but not exclusively with the Centre for Social Justice. She has laboured for years to emphasise the concern we should all have about the impact of family life on children in particular. At times she may have wondered whether anyone from Government was really listening, but I am optimistic that now we have a care leavers champion in the criminal justice system. The list of co-ordinated Government action is long and should make us and our former coalition partners proud.

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Better support for marriage by beefing up our slender tax allowance that recognises enduring aspirations to make a commitment in the teeth of the many financial pressures that can make marriage seem so unattainable would be good, as would be community-based support in family hubs for people to get advice when they are struggling with parenting and relationships. I hope the Minister has seen the report I recently produced as chair of the all-party group on children’s centres entitled “Family Hubs: The Future of Children’s Centres”, which proposed that and a number of other actions to strengthen family relationships in our local communities.

Support for action to ensure that prisoners maintain the family ties that can boost rehabilitation efforts and make jails safer would also benefit from a co-ordinated approach. I also pay tribute to my hon. Friend the Member for South West Bedfordshire (Andrew Selous), our previous Prisons Minister, for all he has done to emphasise the importance of strengthening prisoners’ family relationships. Mental health services that work with all the family dynamics underlying children’s problems could be better co-ordinated, but without a level of steely-eyed determination I fear our life chances indicators in these areas will put us to shame.

As I said, I am incurably hopeful, particularly as our new Prime Minister is the only person ever to have had the title Secretary of State for the Family—albeit that was preceded by the word “shadow”, when we were in opposition. It is now time for family policy to come out of the shadows, take its rightful place in her new Cabinet Committee along with many other important areas of social justice—I am look forward to hearing about those from colleagues over the course of the debate—and be tackled unflinchingly with the energy and talent of all those around the Cabinet table.

2.53 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Ms Dorries, and an absolute pleasure, as it always is, to follow the hon. Member for Congleton (Fiona Bruce), whom I see not just as an hon. Member but as a friend. We share many issues of importance and it is rare for there to be a debate on which we are not on the same side, as we are today. She set the scene well and comprehensively, very much along lines that I will espouse.

I see the Minister in her place. It is the second time that she has been in Westminster Hall today—it is my second time as well. It is nice to see her in her place and I look forward to her response. The response she gave us this morning on funeral payments was excellent.

The hon. Member for Congleton has brought an important issue to the Chamber. “Social Justice: transforming lives”, published by the coalition Government in March 2012, emphasised tackling poverty in all its forms. That was the theme of the document, which gave the following definition of social justice:

“Social Justice is about making society function better—providing the support and tools to help turn lives around.”

It is about how we can help people help themselves and how we as a society can help them. I will give some examples from my constituency of self-help programmes and how society comes together to help those who are less well-off. The document continues:

“This is a challenging new approach to tackling poverty in all its forms. It is not a narrative about income poverty alone: this Government believes that the focus on income over the last decades has ignored the root causes of poverty, and in doing so has allowed social problems to deepen and become entrenched.”

That is my opinion of what Government have done, and they brought the document forward to address that issue.

I remember being impressed with the big society. Indeed, we could not fail to be impressed by its theme. Whether it achieved or not was the issue, but what it set out to try to achieve is something we all like. I was excited and happy to be part of the ideal of a society in which we help each other. This is our motivation for being in this House: we are here to help others, whether that be in the House or more directly back in constituencies with constituency issues.
[Jim Shannon]

Despite the failures of the House to make any substantial effort on the big society, I have seen communities rallying round and helping each other out. In the main town in my constituency, Newtownards, the community groups work hard together and individually in their estates to make lives better. That same theme of communities rallying round permeates all the way down the Ards peninsula and further over on the other side of Strangford lough down towards Comber, Ballygowan, Saintfield and Ballynahinch. People are coming together to work on behalf of those who need help.

I have had calls in my office from young people who go to their local campaigner group in the Newtownards Elim church—this is an example of how they play a small role and how communities can interact socially and do something. When the bus was parked in a car park, they noticed that there were weeds and rubbish lying all around. The campaigners—they are like a boy’s brigade or girl’s brigade—discussed that in their planned meeting and contacted the local council to offer to clean up the area as part of their programme. That is a small example of social justice at work in communities: young people recognising what the issue was and responding. Those who are fit to do, do for the benefit of the community.

There is a thriving food bank in my area that does tremendous work, but that comes down to people buying and donating food for those around them who are unable to provide for themselves. That is the big society in action—exactly what the hon. Lady was referring to. I have never seen food banks as a negative; I see them as a positive that delivers when communities, Government bodies and the Churches come together in a true, ecumenical sense, and they can then deliver for those who are less well off. The theme in relation to compassion is “your pain in my heart” and the members of the thriving food bank feel that.

Local churches take turns on Christmas day either to deliver Christmas dinners to the elderly and those who are alone or to open church halls so that people can come and be together even if they do not have a family they can call their own. That again is big society in action. Christmas, as we all know, can be one of the happiest days of the year but it can also be one of the saddest. It is sad if someone has died or for those who are alone. It can be happy when we have family around us, but not everyone has that possibility.

What have we done in this place to help see social justice in action? Tax credits were cut—I am glad to see the former Secretary of State, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), in his place—and other benefits tackled in welfare reform. Savings could have been used to help in other ways, but young mothers are having all sorts of problems due to the Concentrix palaver; I use that as an Ulster Scots word.

As a rule I do not make complaints, but I had to complain about Concentrix to the Government because it was carrying out a policy of changing tax credits without doing its homework. Apart from that, for almost four hours one day we could not even get through to the company, which is a problem. I know there was a question about the issue in the main Chamber but I could not stay for it, but that is an example of what we went through. It targeted young mothers in an horrific manner, which is a debate for another day—I know you will bring me into line for that shortly, Ms Dorries.

 Constituents came to use my office phone to try to get things sorted out, having used all of the credit on their phones. The ordinary person cannot be expected to phone Concentrix for 35 to 40 minutes, which has sometimes happened. They are people whose benefits have been stopped and, as one of the suppliers of food bank vouchers, I am helping them wherever I can with food parcels. They do not have enough money to put in their electricity meters and some have moved their family in with their parents because they need some respite. Is that the big society ideal, with social justice at its heart? That was the hon. Member for Congleton’s question and it is also mine.

We need Departments to work together on ways to help people and not hinder them. Welfare reform has not only targeted young families and single parents; it has eradicated the need for child poverty targets to be met. Again, that is a topic for another day, but it is one that massively impacts on today’s debate on social justice. All those issues are linked and so must our response be. That is what this debate is about: linking it all together and responding.

Housing benefits and tax credits administrators work closely together to cut off claims when investigating allegations. I have become immensely frustrated with the process at times; why can those partners not work that closely to help people who are in tough situations? When somebody changes their working hours their tax credits and housing benefit changes. Everything goes on hold and it takes some five to six weeks to process, which is a difficulty.

Why can jobs and benefit offices not help somebody in receipt of a benefit to receive all they are entitled to, instead of referring them to third parties? Many people are embarrassed about claiming and will not go to someone else. Why can that not be handled in a cross-departmental way? If we look constructively at the hon. Member for Congleton’s contribution, in which she set the scene, we can see that that is what she is asking for. It is also what I am asking for, and I believe it is what the debate is asking for as well. We should help those who need help more constructively, positively, effectively and quickly, and not drag the system on.

We have read about the people who abuse the benefits system and live a life of luxury. There is an idea that some of those who claim are lazy and cheat. That is simply not true and there is no evidence for it that I am aware of in my constituency. I look at young single mothers who work and try to provide for their children and I feel compassion; in many cases, my heart aches for them as well. I look at men in their 50s who are unemployed after a factory closes, they have worked all their life and do not know anything apart from that work. They wonder who will employ them and have compassion for them, but compassion is not enough—there must be action. That can only come when we have put in place a strategy that allows us to do what the welfare state was designed to do: to help those in need.

I am confident that the Minister will give us a positive response. I have great faith in that. I urge her to stop looking at numbers and forgetting that they are attached to people who have lives and who need help. She should do what people around the UK are doing—seeing a
need and meeting that need. There is a great need for change in the way compassion is dealt with in this place. We can, and must, be compassionate and effective. That is what needs to happen. I leave everyone with the words of Nelson Mandela, who was important for all of us in the House because he was such a colossus:

“Our human compassion binds us the one to the other—not in pity or patronisingly, but as human beings who have learnt how to turn our common suffering into hope for the future.”

Several hon. Members rose—

Nadine Dorries (in the Chair): Order. Allowing 30 minutes for the Minister, the Opposition spokesperson and the hon. Member for Congleton to wind up, there are 25 minutes left for the remaining four Members to speak. I will let Members do the maths and work that one out for themselves.

3.4 pm

Andrew Selous (South West Bedfordshire) (Con): It is a pleasure to serve under you, Ms Dorries—my constituency neighbour—and I pay tribute to my hon. Friend the Member for Congleton (Fiona Bruce) for securing the debate. I, too, will talk mainly about family policy, but I think it important to look at all of the five pathways to poverty so ably identified by my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), whom it is an enormous pleasure to see with us today.

We still have an issue with worklessness, despite the British jobs miracle, when this country created more jobs than the rest of Europe put together. We need to remember that there are 843,000 young people who are not in education, employment or training, which is why we have to keep on creating jobs, as we have over the last few years—the job is not fully done yet. Speaking on the steps of Downing Street, the Prime Minister specifically identified those in work, but often work that is insecure, does not pay well and leaves them worried about their mortgage. That is where we need what I would call an “ABC” approach, by which I mean a job, a better job and a career. We need to think more about training for people in entry-level jobs to increase their skills and give them the opportunities to progress up the work ladder, perhaps by re-engaging them with local further education colleges and so on, if we are going to deal with that cohort of people whom our new Prime Minister quite rightly identified.

It is also really important that we roll out the universal support offer alongside universal credit. Universal support delivered locally has been rolled out, but as I understand it universal support across the country as a whole would give responsibility to work coaches for things such as addiction and debt. Rather than just passing over a leaflet on addiction, that work coach would take responsibility and perhaps try to get an unemployed person into a drug rehabilitation programme or link them up with someone who could deal with their debt issues.

Educational failure is absolutely key to social justice. The right hon. Member for Birkenhead (Frank Field), among others, has pointed out that there is a 19-month gap between the brightest children and those who are the furthest behind when they start school—a gap from which many children fail to recover throughout their time at school. One thing we could do is to get outstanding primary schools in the poorest areas to set up early years provision to try to narrow that gap.

Drug taking is a huge issue across our country, not least in the criminal justice system. It is concerning that a third of recovering addicts are still unable to become fully abstinent. I, for one, do not think it right that we just maintain people for years on methadone and other substitutes. We need a higher ambition for our fellow citizens. We need to raise our gaze around the world to countries we can learn from, such as Germany and Sweden. I have already mentioned serious debt, but it is a huge issue for those it affects. I think universal support will be a part of the solution when it is fully rolled out, but I pay tribute to organisations such as Christians Against Poverty, The Salvation Army, which does great work in my constituency, and the citizens advice bureau, which also does great work locally. They come alongside people to manage their debts so they do not get overburdened by them.

As the prisons and probation Minister, I had the good fortune to come across a small charity in Blackpool called Jobs, Friends & Houses. I say to the Minister that that small local charity is an example of cross-departmental working in the voluntary sector at the local level that the national Government could do very well to learn from. It is funded by Blackpool police and Blackpool Council, with some support from Public Health England, and it took recovering drug addicts who were coming out of prison, trained them in construction skills and had them doing up run-down houses in Blackpool. It also enabled them to live in good quality housing, which the ex-offenders themselves had often done up, and provided a support network for them at weekends. It ticked every box. Although the charity did not receive any support from the probation service, it set a really good example. The Minister will probably know that 22% of benefit recipients are ex-offenders, and this is precisely the type of project we need to see working cross-departmentally at the local level. Indeed, I would like to see it spread across the UK as a whole.

When I was at the Ministry of Justice, I was delighted that the former Secretary of State, my right hon. Friend the Member for Surrey Heath (Michael Gove), when talking about families and prisoners, said:

“Critically, education should also help prisoners to acquire the social skills and virtues which will make them better fathers, better husbands and better brothers. Ensuring that prisoners can re-integrate into family life and maintain positive relationships is crucial to effective rehabilitation. Families are one of our most effective crime-fighting institutions. And we should strengthen them at every turn.”

Those are wise words, not least because if someone’s family relationship breaks down while they are in prison, they will probably not have anywhere to live or a family to go back to, and families are helpful in helping prisoners to find work.

I have a quotation from the other side of the Atlantic. It is from President Obama’s speech on father’s day on 21 June 2010. He said:

“So we can talk all we want here in Washington about issues like education and health care and crime; we can build good schools; we can put money into creating good jobs; we can do everything we can to keep our streets safe—but government can’t keep our kids from looking for trouble on those streets. Government can’t force a kid to pick up a book or make sure that the homework gets done. Government can’t be there day in, day out,
to provide discipline and guidance and the love that it takes to raise a child. That’s our job as fathers, as mothers, as guardians for our children.”

That was powerfully put and brings me on to the final area of family.

I will not reiterate the excellent points made by my hon. Friend the Member for Congleton, but I want to encourage the Minister to go back to her Department and ask her officials to look around the world at what works well. I note that the Americans set up the National Fatherhood Initiative in 1994. Since then they have had the fatherhood, marriage and families innovation fund, which looks at job training, parenting, domestic violence prevention—a key priority of the Prime Minister—and relationship support. They have also had the fatherhood and mentoring initiative, which looks at raising awareness of responsible fatherhood and works to re-engage absent fathers with their families.

In Australia there is a network of family relationship centres, which the Minister’s officials might want to look at. In my experience of Whitehall, officials and Ministers are sometimes not quite good enough at looking at best practice around the world that the United Kingdom could localise, fit to our own conditions and usefully learn from.

I want to be quick to allow colleagues to speak, but I have four proposals that I want the Minister to raise across Whitehall for what we could do to strengthen family life in this country. First, improving access to psychological therapies is a really good thing that the NHS does for our constituents. Therapy for couples, which has proved to be really useful and helpful, has been virtually squeezed out. This was an issue before I became a Minister two years ago. I am concerned to find that no progress has been made in the intervening time.

Secondly, during the antenatal stage—the one time when dads turn up with mothers to go to programmes in big numbers—we are missing a trick if we do not try to strengthen the relationship between mum and dad before the child is born. The fathers are there. It is an open goal. Some hospitals are doing it under the wire at the moment. Why do we not do it everywhere?

Thirdly, the family hub is an idea whose time has come. Perhaps the Minister will look at what they do on a bipartisan basis in America and at the family relationship centres in Australia and learn from them. We can localise such initiatives and make them appropriate to the UK.

Fourthly, my final request is that the Cabinet Office should make sure that its What Works centre looks at this area of strengthening family policy. It is not acceptable that the Cabinet Office does not extend its work to this area. There have been studies by the Department for Education showing that relationship support is extremely effective. The last one was in 2014. The Cabinet Office needs to keep that work going.

Angela Crawley (Lanark and Hamilton East) (SNP):

It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Congleton (Fiona Bruce) on securing this debate on an important matter that has such wide-reaching consequences that I feel a debate in this Chamber simply does not do it justice. I am sure there will be another opportunity to have this debate on the Floor of the House.

When the hon. Lady speaks of “these families”, she speaks of my family. After losing a parent to mental health, I grew up in a one-parent family before living with my aunt and uncle and my foster sister. I was the first to go to university. I grew up in damp council houses with hard-working parents who struggled to make ends meet. My sister, now a graduate, and my brother going to university are testament to the hard work and ambition in my family. But my story is not unusual. Where I start is sadly where many people end.

So when each of us speaks about this in this Chamber, I expect us to show more sympathy and respect, because we are talking about real people’s lives. I know the hon. Member for Congleton understands that.

In the UK, the social justice strategy stated that from the outset its approach was to aim to tackle poverty in all its forms. I am not being political when I say this, because I grew up under a Labour Administration; however, a quick glance at my constituency casework brings up many examples of where, sadly, policy is adding to the hardship faced by many people across my constituency of Lanark and Hamilton East. I am under no illusions that we are somehow the exception to the rule. The strategy is failing people up and down the UK, and pushing people further into poverty.

The initial changes to universal credit have left many families without money for periods of four to six weeks. In one part of my constituency, I have been informed that the universal credit rollout, which was targeted towards single males, many of whom are vulnerable and without the safety net of families, were the targeted group who already rely on food banks—not a sign of the big society, but a sign that the system is failing. For many, the lump sum payment is not easy to manage and the lack of budgeting experience will not allow them to manage a large lump sum in one go. Does the Minister have any solutions that will alleviate some of this burden?

Another universal credit concern was raised with me by Women’s Aid South Lanarkshire: the fact that universal credit is paid to only one person in a couple. Vulnerable women who find themselves in controlling relationships could find themselves even less able to financially support themselves. But perhaps the worst aspect of the social justice strategy that is failing my constituents is the harsh application of sanctions being enforced on claimants across the country. We need only look at our constituency casework to find such issues. If a Member does not find such issues, they are blessed. I spend a lot of my time concentrating my office’s efforts on supporting these people.

Perhaps worst of all, I have heard many examples of constituents being sanctioned for the most basic of reasons—including being five minutes late to an appointment and not attending a meeting at the jobcentre owing to attending a job interview—and there have been many instances of admin errors. Another form of sanctions imposed by the UK Government concerns those executed by Concentrix. I welcome the news that Concentrix will no longer have the contract with HMRC. However, as part of the apparent fishing exercise to stop tax credit payments, Concentrix has blanket-lettered many single-parent claimants asking for evidence that they are not co-habiting. It seems abhorrent to me that
nobody seems to have any consideration or empathy for the devastating effect that receiving such a letter from Concentrix can have on a person. One constituent of mine ended up homeless. I do want to go into the wherewithal of it, but these are the consequences of the Government’s actions when they contract with an American company that is not accountable. How will Concentrix be held to account for its failure and a series of administrative errors—we will call it that—that resulted from this exercise?

Many vulnerable families have been left with no money as a result of a Government contract. Who will hold Concentrix to account? I hope the Minister will be able to indulge me in answering that. I have yet to receive a response, despite the fact that I asked this question in November 2015. When I asked on behalf of several constituents what evidence was being used to trigger the letter, I received no response from Concentrix and no response from any Government Department that could justify such actions.

Despite the UK Government’s social justice strategy’s apparent aim to tackle poverty in all its forms, current statistics show that around one in five children in my constituency are still growing up in poverty. That is simply unacceptable in a modern, thriving society like ours. We need to take urgent action to help children who are living in poverty now and to prevent children from living in poverty in future. That means there must be more focus on the work being done across Governments, therefore I was relieved to hear that the Government will look at that in more detail. I say that not because I want to be partisan, but because the issues are serious and fundamental and must be addressed. I am sure that the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) will agree with me about that.

The Scottish Government propose in the consultation that their new approach will build and refine a framework (Mr Duncan Smith) will agree with me about that.

I am sure that many of us were very encouraged to hear the new Prime Minister state clearly that social justice will be at the heart of her Government, continuing the excellent work of the former Prime Minister, David Cameron, and that the Government’s agenda will be focused clearly on addressing not just the symptoms but the causes of poverty. In its report, “Breakthrough Britain”, the Centre for Social Justice identified five pathways or causes of poverty in the UK. Those were family breakdown, educational failure, addiction, debt and worklessness. I am delighted at the way the Government have for some time now sought to address those issues by, as we have heard, creating jobs and getting more people into jobs than ever before—there are far fewer workless households—and by reforming education and raising standards of education in schools.

I particularly want to focus on the place of family. Unless we address the matter of family breakdown, we will never truly address the issue of poverty and social justice. We need to put family at the heart of any agenda.

The Scottish Government have pledged to increase carer’s allowance to the same level as jobseeker’s allowance, to abolish the bedroom tax, to scrap the 84-day rule, which removes income from the families of disabled children, to abolish employment tribunal fees, and to replace the Sure Start maternity grant with an expanded maternity early years allowance, restoring payments for children beyond the first two years. There are also plans in place to block the sanctions regimes when Holyrood takes control over the welfare and social security powers that they will then have.

Those measures constitute a fairer, more equal society and a better Scotland, but it should not be the role of Scotland to eradicate poverty on its own. The Government have a responsibility to do their job and assist the Scottish Government and other parts of the UK in making sure that the issue is tackled. We cannot be glib and sit in one room talking and sounding off. We must do more to tackle the matter seriously. As the hon. Member for Congleton has said and as I have reinforced, families are affected, and we should not diminish the importance of their lives. Social justice should be at the heart of what the Government, and all Governments, do. We have the privilege of representing our constituents, and the responsibility to do so.

3.22 pm

Steve Double (St Austell and Newquay) (Con): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate my hon. Friend the Member for Congleton (Fiona Bruce) on securing a debate on such an important issue.

I am sure that many of us were very encouraged to hear the new Prime Minister state clearly that social justice will be at the heart of her Government, continuing the excellent work of the former Prime Minister, David Cameron, and that the Government’s agenda will be focused clearly on addressing not just the symptoms but the causes of poverty. In its report, “Breakthrough Britain”, the Centre for Social Justice identified five pathways or causes of poverty in the UK. Those were family breakdown, educational failure, addiction, debt and worklessness. I am delighted at the way the Government have for some time now sought to address those issues by, as we have heard, creating jobs and getting more people into jobs than ever before—there are far fewer workless households—and by reforming education and raising standards of education in schools.

I particularly want to focus on the place of family. Unless we address the matter of family breakdown, we will never truly address the issue of poverty and social justice. We need to put family at the heart of any agenda.

3.23 pm

Sitting suspended for a Division in the House.

3.31 pm

On resuming—

Steve Double: To pick up where I left off, there is clear evidence that we will never truly deal with the issue of social justice and social mobility if we do not work at the heart of any agenda. Research conducted by the Centre for Social Justice has shown that children who experience family breakdown perform less well at school, gain fewer qualifications and are more likely to be expelled. Helping families to stay together is the ultimate social mobility agenda.

While it is not just about money—we must remember that these are real people’s lives at the heart of this—we cannot ignore the cost of family breakdown. Family breakdown is estimated to cost the country £48 billion a year, with £7 billion on the health service, £4.5 billion on the police and £13.1 billion on increased tax credits. That is in addition to the pressure it puts on our housing stock and social services. Despite that massive cost to the taxpayer and the pressure that family breakdown places on our national services, next year the Government will spend more on repairing cathedrals than they will on supporting relationships and families staying together. If this Government are really to build a one nation Britain, their social reforms will have to work to close the family gap, because the benefits of a stable family life are not shared equally and are becoming a middle-class preserve.
I know these are generalisations, and people will always point to exceptions, but the latest Government data show that 76% of children in middle to high-income households are living with both parents, compared with only 48% of those in low-income families. It is clear that family breakdown is damaging the life chances of the poorest children in our country, and it should be a matter of social justice. I am aware that social justice is easy to talk about and much more difficult to achieve, but we do need to talk about it. I say that as someone who has learned the hard way how important family is. We should not shy away from saying that strong families, strong marriages and couple relationships are a good thing, because the evidence is there to clearly demonstrate that that is the case.

Too often, successive Governments have kicked this issue into the long grass or put in the “too difficult to deal with” pile. I do not believe we can afford to do that any longer. If we do not take steps and put measures in place that will actively support couples and families and reverse the trend of family breakdown in this country, we will fail future generations of our poorest children.

The title of this debate is “Cross-departmental strategy on social justice”. If we are to have such a strategy, we will need a cross-departmental strategy on the family. In my time in this House, it has struck me that family policy is not really owned by any Department or Minister. While it is true that family matters cut across many Departments, they are too vital to the life chances of millions of children across our country to not be owned by anyone in government. Because family matters are often seen as difficult, intangible and hard to address, there is a real danger that they end up falling between all the stools.

I believe that the Government need to do more. I support the proposal by my hon. Friend the Member for Congleton that children’s centres be converted to family hubs as a first step. I also call on the Government to extend the married couples transferable tax allowance further and to continue to eradicate the couple penalty in the welfare system, so that it is no longer a disincentive for couples to stay together.

We need someone in the Cabinet who will champion the family. We need cross-departmental co-operation to develop family-friendly policies and a family test with real teeth that shapes policy. We need the Government to not be afraid to boldly say that strong families, marriages and couple relationships are good. They are good for our children and for our national wellbeing, and they will play a key role in dealing with the causes of poverty across our country.

3.35 pm

Mr David Burrowes (Enfield, Southgate) (Con): It is a pleasure to follow my hon. Friend the Member for St Austell and Newquay (Steve Double). It is noticeable that speeches from my hon. Friends have centred on the family. As my right hon. Friend the Member for Witney (Mr. Cameron), to whom I pay tribute—he has a new title now, which I forget; is it sheriff of Northstead?—quite rightly said, family is "the best anti-poverty measure ever invented".

I am sure that that will be endorsed by the new Minister, whom I welcome, and our new Prime Minister, who has made it clear that her focus continues to be fighting against “burning” social injustices. At the heart and centre of injustice is the lack of opportunity to have the care of two parents and, indeed, to be part of a commitment of marriage.

The point of this debate, which I was involved in seeking to secure, is for the Minister to do a very straightforward thing: to confirm, as we hope is the case, that there is a cross-departmental strategy on social justice and that the Government will publish a life chances strategy. We look forward to the Minister telling us the date of publication of that strategy, which was mentioned in the Queen’s Speech:

“To tackle poverty and the causes of deprivation, including family instability, addiction and debt, my government will introduce new indicators for measuring life chances.”—[Official Report, House of Lords, 18 May 2016; Vol. 773, c. 3.] I hope the Minister will reaffirm that commitment.

The House authorities struggled when they saw the title of the debate. Who is the Minister responsible for this cross-departmental strategy? The title of the debate was deliberately designed to raise that question, because we need a clear answer on who is leading the way. Traditionally, my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), to whom I pay tribute, led that charge, given his background with the CSJ and all the hard work done, not least in opposition. We need to know clearly that this strategy is owned across Government and that not only will a life chances strategy be delivered, but it will have real meaning—that it will not consist of good soundbites and a good press release and then gather dust on civil service shelves. That is important.

While I respect the Minister for responding to this debate—no doubt a lot of concerns focus on the Department for Work and Pensions—this issue goes beyond specific departmental responsibilities and affects all parts of Government. We know the family has to be at the heart of that, because it is in stable families that we can have social justice across Departments. When the life chances strategy is published, I will be doing a word search not only for “family” but for “marriage”. I want to see hits on both those words, because they are key determinants.

My hon. Friend the Member for South West Bedfordshire (Andrew Selous) mentioned Jobs, Friends & Houses, a cross-departmental approach with the charitable sector. May I take that as a stage further? Although there is a question mark about who is responding to the cross-departmental strategy on social justice, we can be in no doubt about the impact of a lack of such a strategy. While there are great opportunities through local charities that bring things together, the impact is on those like Lucy. My test of the Government’s cross-departmental strategy is a “Lucy” test.

Lucy was a child who was sexually abused and placed in care. She later went on to suffer from depression, which caused educational failure. She began shoplifting to pay for a drug habit following a short spell in prison, and she lost touch with her grandmother, her remaining relative. The spiral of complications went on and on for Lucy. She was able to buck the trend, but sadly there are all too many Lucys—58,000 are homeless with substance misuse and criminal justice issues. We must tackle this
problem. Lucy is an example of the way forward. We must bring things together properly with a national strategy that enables the Lucys of this world to have joint commissioning from their council to avoid the silos between the Probation Service and the NHS, and to have a dedicated, named mentor and advocate. Lucy is now back in contact with her grandmother, out of contact with the police and on the road to recovery.

I appreciate, Ms Dorries, that you want me to conclude. Those individuals with complex needs do not understand cross-departmental strategies, but they understand when they fall into the gaps between departmental silos, funding streams and statutory responsibilities. We have to ensure that the strategy goes to the root causes of poverty and into entrenched areas so that we do much better for such people. We know we need more residential rehab, which has had 50% cuts. Areas such as Birmingham are not making any referrals to abstinence-based residential rehab. We have to ensure that the Lucys of this world get a better deal. To pay homage to the old Heineken adverts, this life chances strategy has to reach the parts that other strategies do not reach and the lives of the Lucys of this world.

Nadine Dorries (in the Chair): I will call the Minister at 15.58, so perhaps the Opposition Front Benchers will work out the timing for themselves.

3.41 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Thank you, Ms Dorries. I will try to do the maths on the timing.

I congratulate the hon. Member for Congleton (Fiona Bruce) on securing this debate and on her thoughtful speech. Let me say at the outset that Scottish National party Members share the desire to support families, to promote social justice and to improve the prospects of young people from disadvantaged backgrounds. We recognise that that will require cross-departmental action that cuts across a range of policy areas and Government functions, including areas of devolved responsibility—a point that may be reflected this afternoon in the fact that only Back-Bench Members from Scotland and Northern Ireland are in the Chamber today.

Where we part company with the UK Government is in our analysis of the underlying drivers of poverty and deprivation and in the prescriptions we offer to address it.

Andrew Selous: Will the hon. Lady give way?

Dr Whiteford: I will not give way because I am very short of time.

The hon. Member for Congleton put great emphasis on family policy, and clearly families are at the heart of a stable society. We have heard from other speakers today and from the Government in recent months about life chances. That is an innocuous enough term. Who could take issue with improving life chances? The problem is that the shift in the Government’s rhetoric has masked a sharp move away in policy terms from consideration of the economic drivers of disadvantage, particularly low income, towards social phenomena such as family breakdown and addiction, which we have heard a lot about today but which actually affect children in families across the income spectrum.

Don’t get me wrong—children are often very badly affected by parental separation or a parent’s problematic use of alcohol or drugs, but that will not necessarily push them into poverty. Likewise, problematic levels of debt are by no means the preserve of low-income households. I agree with the hon. Member for Congleton that support for all families who are coping with these issues is important regardless of their income level, but if we want to achieve greater social justice and to close the gaps in educational attainment, job prospects, and long-term health and life expectancy between the wealthiest and the poorest, it is intellectually dishonest to pretend that low income is anything other than the core driver of poverty. It is a distraction to think we can tackle child poverty without recognising that material deprivation, lack of money in a household and chronic financial insecurity—symptoms of a labour market that is increasingly characterised by low-paid, temporary jobs with fluctuating hours of work—and excessive housing costs lie at the heart of the gulf in prospects. We cannot tackle these glaring inequalities if we are not prepared to bite the bullet of these gross disparities in income.

The reality is that the Government’s austerity agenda continues to reduce the incomes of families in lower paid jobs and those unable to work because of serious illness or disability. Austerity has hit the incomes of women and disabled people disproportionately. The four-year freeze on working-age benefits, including child tax credits, working tax credits and jobseeker’s allowance, will see families lose an estimated 12% of the value of their support by 2020. Two thirds of children growing up in poverty in the UK live in working families, so cuts to tax credits have an enormously detrimental effect on parents in low-paid jobs. That undoubtedly puts pressure on families and strains relationships.

The cuts to the work allowance will also hit low-paid working parents, including single parents, some of whom could lose as much as £2,600 a year. The cuts to the work allowance also remove from universal credit one of the cornerstone benefits of the system, namely that it was supposed to remove the work disincentives—the so-called benefit trap inherent in the previous system. Universal credit now replicates that flaw so that for many low-paid parents there is now no incentive to take promotion or increase their working hours because their family will be worse off. According to the Resolution Foundation, work will pay on average £1,000 a year less for working families in receipt of universal credit.

The hon. Member for Strangford (Jim Shannon) and my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) talked about the Concentrix fiasco, which we debated in the main Chamber today. All I can say is that it has caused extreme financial distress and hardship. I know of at least two families who have lost their home because of that. The Government really must take responsibility.

Another key issue in addressing life chances is housing costs. There is a chronic shortage of affordable housing across the UK, a consequence partly of grossly inflated house prices and partly of the failure of successive Governments to build enough affordable homes. I am glad to say that in Scotland we have taken a very different approach and have started to reverse that situation. We are committed to building 50,000 more affordable homes in the next five years, which will go some way to meeting need, but we cannot avoid the fact
that children who grow up in a warm, dry, decent and stable home will have better life chances than those who do not. That is a good example of why we need cross-departmental efforts to tackle child poverty. Again, it goes without saying that poor housing puts terrible pressure on families and relationships.

Last week, I attended the launch of the Joseph Rowntree Foundation’s “Solve UK Poverty” report. One of the most important messages that comes out of that is about the dynamic nature of poverty. In this place, we often trade in lazy stereotypes about entrenched poverty, and there is no doubt that some parts of the country are affected by that because of deindustrialisation and so on. Nevertheless, for most people it is unexpected life events that push them into poverty, whether it be redundancy, relationship breakdown or long-term illness and serious health problems. One of the most important things that the Joseph Rowntree Foundation highlighted is families’ level of resilience. Clearly, when unpredictable events that could happen to any of us strike, poorer families have less of a cushion. They are much less able to cushion themselves against such events that can have long-term, far-reaching consequences.

I will finish by talking about how we measure child poverty and pick up some of the points made by my hon. Friend the Member for Lanark and Hamilton East. The Welfare Reform and Work Act 2016 removed the statutory child poverty targets that were to be met by 2020. A cynic might assume that that is because the Government know that the Institute for Fiscal Studies is correct in its projection that the rate of child poverty in the UK is set to increase to over 18%—affecting almost one in five—by 2020 as a direct result of austerity reforms.

Life chances indicators may provide some useful insights, but given that two thirds of children living in poverty have working parents, focusing on worklessness will not take us much further forward and misses the big picture of widening inequality eroding young people’s life chances. I am glad to say that in Scotland we are taking an alternative approach to child poverty which focuses on maximising household resources, investing heavily in high-quality early-years education, including 30 hours a week free childcare for all nursery-age children and for the most disadvantaged two-year-olds, and renewing the focus on closing the attainment gap in schools between those from the lowest income groups and their better-off peers.

The Scottish Government are also consulting on legislation to measure child poverty with proposals for ambitious statutory income targets and duties on Ministers to report every year on published delivery plans. We have also protected the education maintenance allowance, which has helped young people from low income families to stay on at school or college so that they get the qualifications they are capable of achieving, and ensured that those who get the grades they need to go to university can study on the basis of their ability to learn, not their ability to pay tuition fees.

We should not dodge the big issue about income, but should recognise that it is at the heart of families and their ability to sustain the normal shocks and events that most people go through at some point in their lives.
on the poorest, combined with low levels of public spending, especially on social security, are key to establishing and perpetuating inequalities. Is that really social justice?

Fiona Bruce: Will the hon. Lady give way?

Margaret Greenwood: I will not, because I am very short of time; I am sorry.

Is it socially just that 3.7 million sick and disabled people will have approximately £28 billion-worth of cuts in social security support from the Welfare Reform Act 2012? That does not include the cuts to employment and support allowance work-related activity group support due to start next, or cuts to social care. Is it socially just that in addition to facing the misery and hardship of poverty, the children affected have greater risks to their future health and wellbeing? One witness to the recent inquiry by the all-party parliamentary group on health in all policies into the effects of the 2016 Welfare Reform and Work Bill on child health told us that

“as children’s lives unfold, the poor health associated with poverty limits their potential and development across a whole range of areas, leading to poor health and life chances in adulthood, which then has knock-on effects on future generations.”

There is even increasing evidence that poverty directly impacts on how neural connections develop in the brain. In particular, the hippocampus, which is key to learning, memory and stress regulation, and the amygdala, which is linked to stress and emotion, have weaker connections to other areas of the brain in children living in poverty compared with children from more affluent homes. Those changes in connectivity are related to poorer cognitive and educational outcomes and increased risk of psychiatric illness for nine to 10-year-olds; that includes depression and antisocial behaviours.

The inequalities that the people of our country face at the moment are reminiscent of the Victorian age. The International Monetary Fund has described income inequalities as

“the most defining challenge of our time”.

In the UK, 40 years ago, 5% of income went to the highest 1% of earners; today it is 15%. Unless we address that, we cannot get to grips with all the other issues talked about in this debate. Of course, this is not just about income. The Panama papers revealed the shocking extent to which the assets of the richest are kept in offshore tax havens, where tax is avoided and evaded. According to the Equality Trust, in the last year alone the wealth of the richest 1,000 households in the UK increased by more than £28.5 billion. Today, their combined wealth is more than that of 40% of the population. While the wealth of the richest 1% has increased by 21%, the poorest half of households saw their wealth increase by less than one third of that amount. I could go on.

Of course, social injustices are not confined to tax and social security policies. There is inadequate funding for nursery schools, so we are seeing them struggle to provide the expertise that can make a real difference in early-years development—something very pertinent in my own constituency. What about the impact of the Government’s decision to bring forward the equalisation of the state pension age for women born in the 1950s, the so-called WASPI women—Women Against State Pension Inequality? What about the restrictions in access to justice through legal aid and the fees charged for employment tribunals? What about the reducing of access to education by trebling tuition fees and scrapping the education maintenance allowance? What about the cuts to local authority budgets—they have been very high indeed in my constituency—leading to cuts to Sure Start and threatening vital adult social care?

Cuts to the police authorities mean that we are seeing increased problems with social cohesion, creating real anxiety at all levels of society, with people in certain areas afraid to go out of their house. There is the threat to the social housing sector, such that people do not feel that they have a secure home to live in, through the Government’s right to buy, bedroom tax and 1% annual cut to social rents. Those are all combining to threaten the social housing sector.

This Government and the previous coalition have facilitated exploitative labour markets with poor-quality jobs and zero-hours contracts, the number of which is heading towards 1 million, and have further contributed to maintaining power within an elite. Where is the social justice in that?

Governing is about choices. The amount of revenue lost to the Exchequer each year as a result of tax fraud is £16 billion—the same as we spend on disabled people through the disability living allowance and personal independence payment. If the Government truly believe in social justice and fairness, they need to reflect that in their policies across the board. They need to clamp down on tax fraud and ensure that the most vulnerable in society are looked after properly and not plunged into poverty or worse, and that opportunities are there for all.

3.56 pm

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): It is, of course, a pleasure to serve under your chairmanship, Ms Dorries. Like other hon. Members, I congratulate my hon. Friends the Members for Congleton (Fiona Bruce) and for Enfield, Southgate (Mr Burrowes) on securing this important debate on social justice.

My hon. Friend the Member for Congleton in particular is a very committed and diligent campaigner on these issues, and I thank her for the work that she has done to raise the profile of social justice matters. I also thank hon. Members on both sides of the House for their contributions to this discussion. I pay tribute to my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), who unfortunately has had to leave the Chamber, but whose commitment to these issues is indeed incredibly well known.

The Government, too, are committed to building a country that works for everyone. That means taking action to help the most disadvantaged. As my right hon. Friend the Prime Minister said on the steps of Downing Street, we will fight against the injustices we see in our society and, in doing that, we will do everything we can to give people more control over their lives. However, we know that, as many hon. Members have said today, our strategies need to be joined up across Government so that we can effectively support and transform the lives of the most vulnerable. That is why the Prime Minister has established a new Social Reform Cabinet Committee—to bring Departments
[Caroline Nokes]

together to deliver social reform. In addition to the Prime Minister, that Committee includes the Chancellor of the Exchequer, the Home Secretary and the Chancellor of the Duchy of Lancaster; in total, nine Departments are involved.

The Prime Minister has been clear that tackling poverty and disadvantage and delivering social reform will be a priority for this Government, but I would like to take this opportunity to respond to the many issues that hon. Members have raised and to set out the ways we are currently tackling disadvantage, removing barriers for people and ensuring that everyone has the right opportunities to fulfil their potential.

This afternoon there has been a focus on relationships and families, and rightly so. Good-quality relationships are the basis of a strong and stable society, and we are committed to strengthening and supporting family life for our children and for future generations. The evidence is clear: what matters most is the quality of family relationships and not necessarily whether parents are part of a couple, cohabiting, married or separated. It is important to acknowledge that families come in many different shapes and sizes and we need to be able to support them all.

Over the last four years, we have invested £30 million in relationship support services, allowing 160,000 people to access preventive support. More than 48,000 couples participated in counselling, and more than 17,000 practitioners have been trained to help families in difficulty. We are developing new programmes of relationship support services to help couples with relationship issues, and those focus particularly on the most disadvantaged in society. They are aimed at helping parents to manage and resolve couple conflict.

What we know more clearly than anything else is that conflict has the most impact on children. We want to support parents to stay together where they want to and can, but also support parents, when they have separated, to continue working together in the best interests of their children. My officials are actively working with a range of Departments. Given the prevalence of relationship distress in disadvantaged groups, we are working with Department for Communities and Local Government colleagues, who are responsible for the troubled families programme, on strengthening the focus of that programme on relationship support and parenting.

We recognise that relationships come to an end and it is important that those parents get the support they need to keep conflict to a minimum and to agree on what is best for their children. Over the last two years we have funded 17 projects to help test which services work best in helping separated parents. These have been up and down the country in very different and varied areas, including the constituencies of some of my honourable colleagues.

What I found particularly interesting from one project was the evidence that the involvement of grandparents could be incredibly useful and constructive when couples are separating, to help them work in the best interests of their grandchildren. We have learned a great deal from these projects and are now deciding how best to invest in the help for separated families and single parents in the future.

I was delighted to hear my hon. Friend the Member for Congleton refer to the Government’s work on care leavers. As a former member of the Education Committee, I have but one small part of the work I have heard it that Government and agencies can have on care leavers. It is absolutely right that these young people, some of the most vulnerable in our society, whose educational, health and employment outcomes are significantly poorer than those of their peers, are made one of our priorities. We are committed to giving them the support they need as they make the difficult transition to adulthood, independent living and, of course, work.

Since the first cross-Government care leaver strategy was published in October 2013, the Department for Work and Pensions has continued to take action to improve the employment support we provide for care leavers. In July this year, the Government published a new, more ambitious strategy to improve care leaver support across this Parliament. This includes setting out in law, for the first time, what it means for a local authority to be a good corporate parent, and creating a new care leaver covenant, which will be launched shortly.

Offender rehabilitation was spoken about by my hon. Friend the Members for Congleton and the Member for South West Bedfordshire (Andrew Selous), who has a great deal of experience and expertise in that important area. We are committed to offender rehabilitation and prison reform. Helping offenders to get into work and make a positive contribution is in the best interests of the individual and wider society.

We know that ex-offenders who find work are significantly less likely to return to prison. Reoffending rates are around 20% lower for prison leavers who go into a job. Work is the best route out of poverty, and for offenders work is essential to rebuild their lives and achieve independence and stability for themselves and their families. My hon. Friend the Member for South West Bedfordshire referenced Jobs, Friends & Houses, which is working in the Blackpool area. Close to my own constituency, I have seen some of the work done at Winchester prison that has seen the prison working with both education providers and local businesses to help prisoners acquire employment placements.

We also recognise what an important stabilising and motivating influence families can be in prisoner rehabilitation. Family engagement in prisons across England and Wales helps increase wellbeing and reduce reoffending. At Winchester I saw the work done by the charity Spurgeons, which is one of many partners delivering this support across the prison estate. Spurgeons supports imprisoned fathers to help them with their parenting skills, and to help their families handle the stresses associated with having a parent in custody. Classes are run on parenting skills and the impact that custodial sentences have on families. Family days are then held to support building better relationships during custody and after release.

The hon. Member for Strangford (Jim Shannon) raised a number of very important issues, including a discussion of the big society, which I too have seen working in my constituency. We might have a discussion about the role that food banks play, but he is absolutely right to point out the role that the Church has in both establishing food banks and supporting people who use them. In Southampton just last week, I was at the 20th anniversary of the Basics Bank, which operates in
a network of churches across the city. It is based at Above Bar Church, but also operates in Swaythling Methodist Church in my constituency.

The hon. Gentleman also talked about universal credit, and of course this is an important part of the Government’s welfare reforms. During the summer recess, I visited the Newcastle jobcentre where UC is operating in the full service. I saw the commitment and determination of the work coaches, who play an absolutely critical role in encouraging and supporting people—not just into work, but once they are in work, in that journey to better employment, longer hours and higher wages. Actually seeing it in operation was an incredible experience. The support and encouragement the work coaches were giving to the individual jobseekers coming in was really motivating to me. I saw the commitment they had and their enthusiasm for the transformational difference universal credit has, where nobody is penalised for taking on more hours.

It is an important change and one that we need to emphasise: to explain clearly that this is a route where there are no cliff edges and where work coaches can make sure they give budgetary advice. That is an important part of the transformation that we can make to people’s lives. They can give support and, importantly, build relationships with those jobseekers.

The hon. Member for Lanark and Hamilton East (Angela Crawley) also spoke about universal credit. She raised a very important point, which I must address, about Concentrix and the contract; HMRC has confirmed it will not extend that and also that those who have had their tax credits stopped will be made priorities, to make sure that their cases are looked at.

I pay tribute to the comments of my hon. Friend the Member for South West Bedfordshire. He gave me a great long list of questions, which I fear I am not going to have enough time to answer in full. I reassure him that we do look at the work being done overseas and learn from best practice in places such as Australia, New Zealand, Canada and the Netherlands. I am absolutely open to suggestions of what works to help build and strengthen family relationships wherever it happens in the world. In this country we are not isolated from the impacts of what other countries have learnt before, and we should be willing to learn from our neighbours.

In conclusion, let me reassure hon. Members that this Government are absolutely committed to fighting against the injustices of society and to ensuring that everybody has the right opportunities to fulfil their potential. Our priorities remain making work pay and supporting families into work and out of poverty, by tackling the root causes of poverty and not just the symptoms.

In his moving explanation of Lucy and the Lucy test, my hon. Friend the Member for Enfield, Southgate was absolutely right to point out that these are individuals who are impacted. We must do our utmost to make sure that that Lucy test is used to ensure that the policies the Government have across a broad range of Departments are effective and deliver the outcomes we are looking for.

4.7 pm

Fiona Bruce: I thank colleagues for the many thoughtful and constructive contributions they have made, with practical suggestions for cross-governmental working on promoting social justice—in particular my hon. Friends the Members for South West Bedfordshire (Andrew Selous), for St Austell and Newquay (Steve Double) and for Enfield, Southgate (Mr Burrowes), and the hon. Member for Strangford (Jim Shannon).

I also thank the Minister for her response. I hope she will take away some of the points made during the debate. May I ask her please to consider writing to answer the points she has been unable to respond to today? I thank her for her response and for referring to a number of projects providing relationship support in different parts of the country. I hope to see them extended more widely right across the country, because that is very much needed, and prioritised, along with other proposals.

Question put and agreed to.

Resolved,

That this House has considered cross-departmental strategy on social justice.
The BBC and Political Impartiality

[Geraint Davies in the Chair]

4.8 pm

David T. C. Davies (Monmouth) (Con): I beg to move,

That this House has considered the BBC and political impartiality.

Thank you, Mr Davies, for your chairmanship of this debate. May I begin by saying that this debate is about the BBC and impartiality, and the bias that has a tendency to creep in? This is not in any way meant to be a full-scale attack on the BBC, which is an organisation extensively respected by everyone, not least myself. In fact, I think that some of the programmes made by the BBC are absolutely second to none—in particular in the news department, which I am going to talk about in a bit more detail in a minute.

News and current affairs programmes on Radio 4 such as “From Our Own Correspondent” or “The Report” are absolutely excellent. I also pay tribute—as I am sure you would, Mr Davies, if you were able to—to the contribution the BBC has made to the Welsh language in Wales. Nor do I think that there is any argument for privatising the BBC; again, that is not what I am here to suggest. But I do think that unless the BBC is able to deal with the bias that many people have complained about, it is going to be harder and harder for it to justify the licence fee, which is in effect a tax on everyone whether they are supporters of what the BBC says or not. I will come to some examples of that.

Peter Sissons made the point in his book that there is a cultural bias within the BBC because it is a metropolitan organisation that seems to be peopled by employees who have a certain world view. It is always difficult to put people into categories, but in my opinion, one could fairly say—I have been in and out of BBC studios on a more-than-weekly basis for about 17 years now, as you know. Mr Davies—that that world view is somewhat left of centre. I have been in many BBC studios and canteens and I have yet to see anyone sitting there reading a copy of the Daily Express or the Daily Mail, loudly complaining about immigration, Brussels or suggesting that claims about climate change are somewhat overegged, yet that is a perfectly normal situation in many other places. Anyone trying it in the BBC studios would probably find that their promotion ceiling was hit fairly quickly.

The reality, of course, is that although the BBC goes out of its way to try to be impartial, it is very difficult for it to be when all—or most—of its employees share a particular set of opinions. We see that in several ways: for example, pressure groups are dealt with in different ways by the BBC. One could google its website right now and I do not want to go through all of them, but an article asked, “Was there a Brexit graduate gap?” to try and perhaps suggest that people voting to leave the EU were not intelligent. Another article said, “PM condemns ‘despicable’ post-EU referendum hate crimes”.

Meanwhile, other think-tanks that are asked to comment or supply speakers are not given health warnings in the same way. Organisations such as the Institute for Public Policy Research, which is a left-of-centre pressure group, is very rarely described as one. The Joseph Rowntree Foundation is a left-of-centre pressure group that supports higher taxes and higher spending. That is a perfectly reasonable thing to do, but it has a left-of-centre view in everything that it suggests. It is never, ever described as that; it is always described as an anti-poverty charity or think-tank, or in some kind of a positive way.

When it comes to climate change, we see the same thing happening. Groups such as Greenpeace and Friends of the Earth are simply described as that and their spokespeople are given licence to say whatever they want, whereas that is not the case for an organisation that may question some of the so-called consensus about climate change. The Global Warming Policy Foundation, for example, will always be described as an organisation set up by Nigel Lawson that questions the scientific consensus around climate change.

We see that bias creeping in when speakers are interrupted. For example, in November 2013, Evan Davies interviewed two speakers on the European Union, one of whom was Paul Sykes, who obviously took the view that the EU was not a good thing. He was interrupted 11 times a minute. The other speaker, Karel De Gucht, who I think was an EU trade commissioner, was interrupted just twice a minute. We see that bias in the number of speakers and the kind of views that they espouse. Again, in January 2013 when “Newsnight” ran a special on the European Union, the overwhelming majority of speakers—I think 18 out of 19—were pro-EU, with only one alternative voice.

Mr Philip Hollobone (Kettering) (Con): I am listening to my hon. Friend’s speech with great interest, and I congratulate him on it. Does he agree that each morning on the business section of the “Today” programme, we still get an unremitting diet of doom and gloom about Britain’s economic prospects after the Brexit vote? If anybody is trying to talk this country into recession, it is the business section of the “Today” programme. Does he share my concern that it should grow up and accept the result from the British people that we want to leave the European Union, with the positive benefits that that will bring this country?

David T. C. Davies: I could not agree more with my hon. Friend. It is not just that programme, but many others and many other aspects of the BBC. I took a few examples of this from the website earlier. I do not want to go through all of them, but an article asked, “Was there a Brexit graduate gap?” to try and perhaps suggest that people voting to leave the EU were not intelligent. Another article said, “PM condemns ‘despicable’ post-EU referendum hate crimes”.

In fact, if I may come to that point, I think the referendum campaign was run in a relatively fair fashion. In Wales, I was in and out of the studios a lot and I will not complain about what happened during the campaign, but what has taken place afterwards has been an absolute disgrace.

The worst aspect is the fact that there have been hate crimes, and we should not shy away from that. There always have been and possibly always will be. Every
single person I know who campaigned for Brexit totally and utterly condemns hate crimes of any sort. Every reasonable and rational person condemns them. I have said to BBC reporters, “Why are we not allowed to go out there and say that we totally and utterly condemn these crimes? Why do we even have to put up with suggestions on BBC websites implying that somehow people who voted for Brexit are responsible for these despicable crimes that have taken place?”

We see headlines such as “Young Muslim women say they’re feeling the Brexit effect”, “Hate crime ‘still far too high’ post-Brexit”, “UN blames UK politicians for Brexit hate crime spike”, and “Brexit: Children hear racist abuse ‘for first time’”. There is one after another, always with the suggestion that somehow those 17 million people who went out and voted for freedom from the European Union are in some way responsible for the actions of a despicable minority who are condemned by absolutely everyone.

To put that in perspective, in the past we have seen despicable crimes by religious extremists. Whenever those crimes have taken place, the BBC has rightly made it absolutely clear that those crimes have been carried out by a tiny minority of people who share those particular religious views and that the vast majority of people sharing that religion do not support any form of violence. The BBC is right to make that point and yet, it is not doing so when dealing with Brexit.

Graham Stringer (Blackley and Broughton) (Lab): I am following the hon. Gentleman’s speech closely. Since the 1999 European elections, a number of independent reports have shown the bias of the BBC on EU matters. The bias that he refers to in terms of climate change and other scientific matters is different. The fact is that the BBC has very few scientifically trained people and they do not understand that “consensus” is not a scientific word. They use that word to censor people who do not agree with the majority of the scientists. Does the hon. Gentleman accept that there is a difference between those two biases within the BBC?

David T. C. Davies: I certainly have engaged with the BBC on this matter and others, and I will come back to that in a minute if I have time.

The hon. Member for Blackley and Broughton (Graham Stringer) made a point about climate change, and that involves a different, but important, kind of bias. It is regrettable that the BBC has accepted hook, line and sinker the so-called scientific consensus on climate change and not allowed anyone on to the airwaves who wants to question it.

There may well be a consensus of scientists who can be found, who will say that carbon dioxide emitted by man has created the very small rise in temperature that we have seen over the past 250 years, and that that is the only driver of climate. The Intergovernmental Panel on Climate Change, incidentally, would not say that, but let us not go into a debate about climate change. Let me just say that there are certain questions that should be asked—that one can ask—to which the scientists have no answers.

It would be perfectly reasonable for the BBC to allow on air people who are willing at least to put those questions and to allow the public to make their mind up as to whether the scientists had answered those questions. Yet on the rare occasions when the BBC has allowed a dissenting voice, there has been all sorts of trouble. For example, Quentin Letts was recently on a BBC programme asking what is the point of the Met Office and, because he suggested that the Met Office was getting certain things wrong, there was a huge hullabaloo and the whole programme was taken off the internet. Some sort of apology was issued, and I believe that many BBC staff were sent off on some training mission, presumably at taxpayers’ expense.

Sammy Wilson (East Antrim) (DUP): Does the hon. Gentleman accept that even BBC presenters are now saying that the BBC has gone totally in favour of global warming views and that impartiality was abandoned long ago? The BBC spent tens of thousands of pounds fighting a freedom of information request that sought to identify that seminars were held to ensure that its top executives were directed towards the pro-climate change view.

David T. C. Davies: The hon. Gentleman is absolutely right. Top executives have been sent off on training programmes where they are expected to spout the “man-made carbon emissions have caused all sorts of climatic problems” line, which simply is not true. Incidentally, if anyone from the BBC is listening, I will debate this with the best scientists the BBC can find in the country or across the world. Bring them on.

With my heavy goods vehicle licence I could outfox any of those so-called scientists, because they simply do not know the answers to the pertinent questions on this matter. I really hope that the BBC has the courage to do that. Who is going to lose out here? If I am getting this wrong and I do not know what I am talking about, I am the one who will look silly. Please, BBC, put me on a radio programme with the best scientists on climate change and we will see who is looking stupid afterwards.

I want to mention one other, perhaps seemingly minor, matter, which is the way in which the word “conservative” is used. I am fed up to the back teeth of hearing the BBC use the word “conservative” to describe
I might take a long intervention.

Not allowed to make a speech. The Minister might take prior permission of the mover and the Minister, you are listening to the radio while lunatic clerics have been described time after time as conservative, and then the next news item is something about the Government in which members of the centre-right party who believe in equality and human rights are also described as conservative. That juxtaposition is simply not fair. That use of language would not be tolerated by many other people.

Of course, I could go on for a rather long time about things that have gone on in the BBC, but I have made my point. It matters that the BBC has this inbuilt bias. BBC executives need to do something to address that bias. I want to see the BBC continue. I enjoy listening to the radio while lunatic clerics have been described over time as conservative, and then the next news item is something about the Government in which members of the centre-right party who believe in equality and human rights are also described as conservative. That juxtaposition is simply not fair. That use of language would not be tolerated by many other people.

4.24 pm

The Minister for Digital and Culture (Matt Hancock): It is a great pleasure to serve under your chairmanship, Mr Davies. It is also a pleasure to address this incredibly important issue at an auspicious time, because the new BBC charter for the next period is due to be published tomorrow. The debate is important and timely, and my hon. Friend the Member for Monmouth (David T. C. Davies) is modest in asking if anybody from the BBC will be watching, because I imagine that the BBC is hanging on his every word. I have no doubt that the BBC will have heard and noted the argument he has put with some vim.

I agree with my hon. Friend. On a number of fronts. At the start he briefly mentioned the importance of the Welsh language and the BBC’s role in promulgating it. I am passionate about that too. I congratulate the BBC on its work in supporting and sustaining the Welsh language and in allowing people who speak English and Welsh, or just Welsh, to be able to participate fully in our national life.

I also agree with my hon. Friend on the importance of genuine impartiality, which is the nub of his speech and the purpose of this debate. It is worth briefly going through why impartiality is important and what is in place to ensure that it happens. As the charter review has shown, everybody will agree that the BBC is at the heart of British culture. I think the BBC is one of the nation’s most treasured institutions, and there is broad agreement that, as a public service broadcaster funded by the licence fee, it is vital that accurate and impartial news is at the centre of the BBC’s output. So far, so good.

No one would dispute that this has been a challenging period for the delivery of impartiality and accuracy, and I am now most concerned with how to ensure that the BBC’s future is secured in such a way that the objectives of impartiality and accuracy remain at its heart and are effectively delivered.

Sammy Wilson: The partiality of the BBC is no longer in question, because more and more people, when they leave the BBC’s employment—from Jeremy Paxman to Robert Aitken to Roger Mosey—have come out to say that there is bias in many different areas. Indeed, one only has to look at the pro-republican bias of BBC Northern Ireland. There is not a single Unionist commentator who would be quoted on BBC Northern Ireland. Nearly all of them come from a republican, pro-left wing background.

Matt Hancock: I certainly acknowledge that some former BBC employees have made that argument. We have all read the cases that they have made, but the question is how to ensure that the charter principles of impartiality and accuracy are best executed.

Simon Hart: I mentioned the editorial guidelines earlier because they are clear on that specific point. Does the Minister accept that there might be a fear among BBC management that taking on a high-profile, popular figure who is a public favourite can be difficult? There are plenty of examples, but are they using the procedures they already have to deal with them? If not, why not?

Matt Hancock: I was going to come on to the editorial guidelines. The White Paper made it clear that impartiality and accuracy are absolutely central to the future role of the BBC. The next charter, to be published tomorrow, will explicitly put impartiality at the core of that role, enshrining it in the BBC’s mission and including it in the public purposes. The question is how that is delivered.

One argument that is accepted by the BBC—this is important—is that having a diversity of internal opinions and a diversity of people from different backgrounds inside the BBC and working for the BBC is an important way to deliver on that objective. The BBC itself has goals to broaden the diversity—both as interpreted in protected characteristics legislation and in terms of social and geographic background—of those who work in it, to ensure that the internal debate better reflects the country that the BBC broadcasts to and that its employees are drawn from.

Peter Heaton-Jones: I am a former BBC insider myself; I worked there as a journalist on and off for 20 years. The Minister is absolutely right that we need diversity
of background. It is worth noting, just out of interest, that by my calculation there are more former BBC employees on the Conservative side of the House than on the Labour side.

I do not want to take too much time from the Minister, but I will say one other thing briefly, if I may. As a journalist who worked for the BBC for 20 years, I completely agree that we have to ensure that there is no institutional bias. I love the BBC, but I have to say that sustaining a strategy of institutionalised bias would require a level of organisation that, in my experience, is beyond the labyrinthine structure of BBC news and current affairs.

Matt Hancock: My hon. Friend makes a very insightful point. On his point that there are more former BBC employees on the Conservative Benches than on the Labour Benches, I should point out that there are far more Conservative than Labour MPs altogether—long may that be so—so we should look at the proportions rather than the absolute numbers.

Let me move on to how things will be structured in future. Of course, it has to be for BBC to ensure that it provides impartial news and current affairs. It would be improper for that to be a matter for Ministers; the White Paper makes it clear that, under the new charter, it will fall squarely to the new BBC board. However, there is an important and new role for the BBC to be held to account in delivering impartial news under the new charter, because Ofcom will take on the regulation of editorial standards, including ensuring that the BBC meets requirements in impartiality and accuracy.

We have been working closely with the BBC and Ofcom on preparing the draft charter, and the framework agreement that comes with it, for publication tomorrow. Before the new charter comes into effect, there will be the opportunity to debate it in the devolved Assemblies and in both Houses. I assure my hon. Friend the Member for Monmouth that he will have the opportunity to raise these issues then, and that the House will be able to debate them further.

There is no doubt that impartiality is one of the most important functions of the BBC. Getting it right is vital to its long-term future, to its support among the populace and to its ability to do its job as the national broadcaster. The BBC Trust commissions research on the trustworthiness of news, and its 2015 survey showed that 53% of people said the BBC was the one source that they turned to for impartial news coverage. That demonstrates how important it is to get this right, but it also shows us that more than half of people trust the BBC most for impartiality, so the statistic works both ways. It underlines the importance of this debate and demonstrates that, as we implement the charter, as the BBC board takes effect and as Ofcom puts in place its regulatory regime, it is very important to take into account all views on the matter.

Sammy Wilson: Does the Minister accept that that is a rather circular argument? The BBC’s monopoly and the huge amount of resources it gets from public finances have allowed it to become the main news organisation in the United Kingdom. If the bias with which it presents the news becomes mainstream, of course it is going to be accepted as a trustworthy organisation, but only because it has been able to use its power to mould the views of the population. That is why the question of the licence fee and impartiality is important.

Matt Hancock: I accept the logic of that argument. The fact that the BBC is the single most trustworthy source for impartial news for the majority of the population—some 53%—demonstrates both its success, in that many people regard it as impartial, and how important it is that it gets the impartiality balance right. But impartiality is not just about dividing straight down the middle between two arguments. Impartiality and accuracy are both important. A national broadcaster ought to be able, if anyone can, to bring a sense of objectivity to our national debate and challenge it with facts, if that balance is delivered correctly.

Sammy Wilson: I am sure, then, that the Minister will not be too pleased about the way in which the BBC described the last autumn statement by the former Chancellor, the right hon. Member for Tatton (Mr. Osborne). It referred to public expenditure being slashed to levels of the 19th century, taking us back to the Dickensian era. That is how it reported it. I am sure the Minister does not accept that that was an impartial way to report it, or that that reporting does not demonstrate a left-wing bias within the organisation.

Matt Hancock: I do not think it behoves me, as Minister responsible for broadcasting and media, to pick up on particular episodes, because the debate has to be seen in the round. The hon. Gentleman tempts me, but I will not be drawn into a line-by-line analysis.

Graham Stringer: Does the Minister agree that nobody in this debate is conspiring to do anything? The fact is that there is a cultural bias: most BBC presenters would probably be able to define the subjunctive, but would not know the second law of thermodynamics. Until the BBC gets scientifically trained people, there is bound to be an inherent bias.

Matt Hancock: The hon. Gentleman makes his point forcefully. I am sure the BBC’s human resources department has been watching and has noted it too.

I hope that the new charter set out tomorrow, with the new BBC board and with ultimate editorial recourse to Ofcom, will help us to seek what we are all looking for: an impartial and accurate BBC news service, which can inform and entertain the population of the UK according to its public service broadcasting principles. I strongly support the BBC in achieving that goal.

Motion lapsed (Standing Order No. 10(6)).
Universal Basic Income

4.38 pm

Ronnie Cowan (Inverclyde) (SNP): I beg to move, That this House has considered universal basic income.

It is a pleasure to serve under your chairmanship, Mr Davies. I am grateful for the opportunity to introduce this debate.

If I asked people what a universal basic income is, I would get many and varied answers. It is even referred to with different titles, as universal, unconditional, basic or citizen's income. That is not a bad thing, because it highlights the fact that we do not have one clear-cut, complete, top-to-bottom definition. Until we do, we cannot decide if universal basic income is a solution or not, but I hope we can agree that the current welfare system has failed.

If we were all given a blank sheet of paper and asked to design a welfare system, nobody—but nobody—would come up with the system we have now. They would need thousands of sheets of paper and would end up with a mishmash of abandoned projects, badly implemented and half-hearted ideas and a system so complicated that it lets down those who need it the most. We need only look at the personal independence payment and at tax credits to see recent examples of people being punished by a system that is supposed to support them. At the same time, the current system allows those who would abuse it to do just that. The expected expenditure on UK social security and tax credits in 2016-17 is forecast to be more than £218 billion. We are spending 28% of our total public expenditure on social security, but it is still not clear whether our welfare system is helping or hindering the most vulnerable people in our society.

Inequality in the UK continues to get worse as we tinker around the edges of our welfare system. The richest 10% of households in the UK hold 45% of the nation’s wealth; by contrast, the poorest 50% own just 8.7% of that wealth. We have seen that inequality manifest itself in different ways, across gender, age and nationality. For instance, the average household in the south-east of England has almost twice the amount of wealth as the average household in Scotland.

Despite attempts to improve the current system, in-work poverty has vastly increased, with the Institute for Fiscal Studies estimating that two thirds of children living in poverty in the UK are in working families. The rapid increase in food bank usage also reflects the failure of our system. In 2008-09, the Trussell Trust issued almost 26,000 three-day emergency food supplies; by 2015-2016, that figure had grown to more than 1.1 million, with almost one in three of recipients being referred to food banks because of a delay in their benefit payment.

Unfortunately, my constituency has some of the worst rates of deprivation in Scotland. Of the thousands of cases that my office has handled, I would conservatively estimate that at least one in 10 are related to benefits. I am seeing people who are left confused and anxious by a system of mystifying complexity. It lacks compassion; it processes people as if they were mere numbers going through a machine; and its rigid inflexibility prevents people from accessing the support to which they are entitled. I believe that it leaves people feeling less and less empowered.

Sharon Wright, a senior lecturer in public policy at the University of Glasgow, has said: “Received wisdom dictates that benefit receipt is the outcome of making ‘wrong choices’. Welfare reforms have become increasingly punitive, on the rationale that strong disincentives and coercion are required to prompt the ‘right choices’.”

As she points out, claiming benefits is not a life choice; it is the result of unforeseen circumstances in a person’s life, such as unemployment, sickness or disability. However, welfare recipients still face hostility and a strong social stigma that defines them as being workshy or lazy, or as having given up on a sense of personal responsibility. I could spend the entire debate highlighting the failings of the welfare system, but I can summarise them by simply stating that our welfare system is not working.

A universal basic income could be a solution to this problem. In the words of Malcolm Torry, the director of the Citizen's Income Trust:

“Technology lying idle, human creativity frustrated, wealth flowing from poor to rich, and finite resources uncontrollably exploited ...we are still waiting for the next new key concept. A Citizen’s Income might be just what is required.”

Julian Knight (Solihull) (Con): I congratulate the hon. Gentleman on securing this debate. He mentions the EUROMOD report by Mr Torry, and I wonder whether he saw the part of the report in which it is stated that, in order to support a universal basic income, the basic rate of income tax would have to rise to 48 pence in the pound. Can he say how on earth that is supportable in a modern economy?

Ronnie Cowan: As I said at the very start of my speech, there are many and varied approaches to this issue; no one has worked up the complete solution at this stage. What we are aiming for is acknowledgement of the fact that our current system is not fit for purpose, and the people of the United Kingdom should be looking for “best of breed”. If we are not prepared to take on that challenge, then we are not in the right job.

Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): I congratulate my hon. Friend on securing this important debate. Does he agree with me that his proposal for a universal basic income has the potential to eradicate poverty, to make work pay and to ensure that all citizens can live in dignity, which does not happen today?

Ronnie Cowan: Absolutely. The aims of this approach are laudable ones and are not something that we, as representatives of the people, should turn our back on.

As a general definition, a universal basic income would be an unconditional basic income given to each individual irrespective of their other income. At this stage, everything else needs to be defined, including what proportion of the welfare system would be replaced by a UBI. We should be sincere in our approach to this issue by saying that its successful implementation would require a revolutionary shift in attitudes towards social security.

Kate Green (Stretford and Urmston) (Lab): I congratulate the hon. Gentleman on securing this debate. Does he agree that one of the most successful universal payments that we had was child benefit? It was well targeted, it helped with the costs of raising children, it redistributed...
wealth between families without children and families with children, and—crucially—it was paid to women, which of course improved their children’s prospects. Does he not think that an earlier, simpler and more effective move might be to return to the days of universal child benefit, and to make that the political priority rather than a universal basic income?

Ronnie Cowan: I take on board the hon. Lady’s comments. My concern about that idea is that it would entail a change to just one aspect of what we are trying to achieve. It is a very important aspect of what we are trying to achieve, but it would not fulfil the requirements of everybody who relies on welfare.

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate the hon. Gentleman on securing this important debate. A basic income has long been Green party policy, so I am very glad to hear him talk of it. Does he agree that as well as making the very strong case that he is making for a basic income on the grounds that our welfare system is not working, there is also a case to be made for it on the grounds that increasing automation will create a huge revolution in the way that work is done? There are estimates that by 2025 we could be losing a third of the jobs in the UK retail sector. For that reason too, we need to look outside the box and explore this idea in a lot more detail.

Ronnie Cowan: Yes, we are going there. I believe that it is called the “gig economy”, in which people share jobs and try to find a better work-life balance. People do not want to have to put in all those hours of work in simply to make money if it is not within them that they want to spend all that money. That chasing of the capitalist dream is hopefully something that is confined to the past.

If we genuinely want to create a more effective system of state support, we need to be prepared to address the difficult questions. Part of the challenge will be to bring together the patchwork of individuals and organisations that have expressed an interest in pushing forward the UBI agenda. Groups such as Citizen’s Basic Income Network Scotland and the Citizen’s Income Trust have helped me to outline what options are open to us in defining a basic income.

It is argued that the benefits of introducing a basic income include: reducing poverty and boosting employment; providing a safety net from which no citizen will be excluded; and creating a platform upon which all people are able to build their lives. More generally, it could be argued that a basic income would bring about increased social cohesion and mark the end of incentives that discourage work and saving.

In the time available to me today, I can only touch on the wide range of questions that will need to be answered in order to implement such a scheme. Who will be eligible for a basic income? What will be the rate of payment? Over what timeframe will it be implemented? Most important, can the affordability of such a scheme be demonstrated? Having clear answers to these questions is vital, but that will not be enough; we will also need the political will to make changes.

The Irish Government published a Green Paper on a basic income as far back as 2002. It concluded that a basic income would have a substantial positive impact on the distribution of income in Ireland and would reduce poverty in a more effective way than the existing welfare system, but 14 years later the concept has not managed to evolve into a fully formed Government policy.

Julian Knight: I thank the hon. Gentleman for giving way to me again; he is being most generous with his time. The Irish Government came up with this proposal in 2002, but 14 years later they have still not been able to implement it. Also, would he reflect on the fact that in Switzerland this idea was actually put to a referendum and two thirds of voters voted against it? Is not the real reason that these people have gone against a basic income is that they realise it destroys the incentive to work?

Ronnie Cowan: I am not here to speak on behalf of either the Irish Government or the Swiss Government, but there is absolutely no indication that providing somebody with a basic income removes the incentive to work. Instead, what it does is to put life choices in front of people, so that if they want to study part time, work part time or work on a farm voluntarily they will not be penalised for doing those things, and therefore it is more likely that people will be prepared to take on work at a level that suits them.

If policy makers regard the basic income idea as simply an academic or abstract economic concept, we will never see it being used to break down the worrying levels of poverty and inequality that we have in the UK. The United States, Canada, Namibia and India have all piloted basic income schemes, while Finland and the Netherlands plan on trialling limited local schemes.

Many Members will be aware that Switzerland has already held a referendum on the implementation of a basic income. Although the proposal was rejected, that shows that other nations already have a more developed understanding of the concept. The charity GiveDirectly has announced that it will launch a full basic income trial. The project will involve at least $30 million and academic support from leading researchers. The trial will fully adopt the basic income model by making regular cash payments to every resident in several villages in Kenya.

I secured this debate with the humble notion that I do not have all the answers to the questions. I hope to facilitate discussion, to debate with my parliamentary colleagues and to consult the relevant organisations about the benefits and feasibility of the basic income concept. I believe it was first proposed by Thomas Paine in his 1797 pamphlet “Agrarian Justice” as a system in which at the “age of majority” everyone would receive an equal capital grant—a “basic income” handed over by the state to each and all, no questions asked, to do what they wanted with. Could this be an idea whose time has finally come?

On 25 May 1961, President John F. Kennedy announced before a special joint session of Congress the dramatic and ambitious goal of sending an American to the moon before the end of the decade and returning him safely. Not for one minute did he intend to design the rockets himself, and he had no ambition that I know of to be on the flight. His not unrealistic and ultimately correct proclamation was built on the premise that he knew America had the time, the money, the brain power and the will to achieve the goal. He challenged the
American people to succeed and they rose to that challenge. I stand here in front of the Chamber today and I challenge all of us to work together to create a fairer welfare system—one that does not trap people in poverty, but instead acts as a platform from which the citizens of the United Kingdom can build better lives for themselves.

Geraint Davies (in the Chair): If Members want to take off their jackets, as I already have, they are obviously free to do so.

4.52 pm

Caroline Lucas (Brighton, Pavilion) (Green): It is a pleasure to serve under your chairship, Mr Davies. I warmly congratulate the hon. Member for Inverclyde (Ronnie Cowan) on securing this important debate. I want to raise three particular areas that I think we should examine, given that the conditions of the 21st century demand that we investigate basic income in more detail.

First, as the hon. Gentleman powerfully set out, our social security system is no longer fit for purpose and requires fundamental reform. Through my constituency surgeries, I see at first hand just how badly the system is failing. The combined impact of bureaucratic complexity and a brutal, punitive sanctions regime that almost seems designed to humiliate those that need help the most can be absolutely catastrophic for vulnerable families and individuals. We simply cannot go on tinkering with a model of social security that was designed to meet the economic and social conditions of the 1950s. However, it is absolutely crucial that any move to a basic income protects and increases the income of the poorest and those who are unable to work on account of disability. A universal payment for all must not undermine additional help for those who need it most.

Secondly, fundamental changes to our economy and labour market are working together to make work itself increasingly precarious. Well-paid jobs on permanent contracts have dwindled, while short-term, zero-hours contracts and bogus self-employment are rife. Alongside a genuine national living wage, a basic income would provide a vital buffer against this new age of insecurity and an escape route for those caught in the trap between a complex, punitive and quite simply outdated social security system and low-paid, insecure and all too often exploitative employment.

Thirdly, a basic income would give people more control over their working, caring and personal lives. That is especially important for women, who despite the growing number of stay-at-home fathers continue to do most of the heavy lifting of child and elder care without payment, but it is also about having the opportunity to contribute more time and effort to our local communities by doing things we might simply want to do. There is far more work that needs to be done than that which is simply parcelled up into what we call jobs. We only have to look around our local communities to see railings that need painting, older people who need visiting and allotments that people would love to tend, but we cannot necessarily do many of those things—they are in some ways important economic activities—because right now we are penalised for doing so.

We must not get carried away—basic income must not be seen as some kind of panacea for all our problems, but it could play a key part in rebalancing towards more satisfying lives and a more sustainable economy. We very much welcome today’s debate, and the growing interest across the political spectrum in an idea that my party has fought for over many years. It is heartening to see the invaluable work being done by groups such as Compass, the Royal Society of Arts, the Fabians and the Institute for Public Policy Research, as well as by long-standing advocates such as the Citizen’s Income Trust. It is refreshing to hear Members from other political parties talk positively about an idea that treats people on the basis of the best in them, not the worst.

We do not have all the answers yet—of course not. Getting to a meaningful basic income from where we are now presents major challenges. I think 34 MPs signed my cross-party early-day motion, which calls on the Government to fund and commission further research into the various basic income models, looking at their feasibility and how the challenge of moving to a basic income might be met. I hope that we can build on that number and that between us we can generate universal support for an idea whose time has definitely come.

I point to the progress being made in other countries. In Finland, the coalition Government have announced a €20 million experiment that will test two or possibly three basic income models over the next two years, involving up to 180,000 citizens. Green councillors in the Dutch city of Utrecht are also planning a basic income pilot, as is the Canadian province of Ontario. In New Zealand, the opposition Labour party is actively considering basic income as a means to combat the possibility of higher structural unemployment. In a sense, the UK would just be catching up by doing its own research into this. I mentioned a whole range of different independent organisations that are doing research, but it would be most helpful if the Government commissioned some research and did some pilots of their own. A lot of the figures that we need to investigate on how best to make this a serious policy proposal are figures that the Government have but the rest of us do not. I make a plea to the Minister to look seriously at this proposal and to use some of the resources at his disposal to invest in a pilot and some more research, because I genuinely think this is an idea whose time has come.

4.57 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): We have had an interesting debate already this afternoon, and I warmly congratulate my hon. Friend the Member for Inverclyde (Ronnie Cowan) on stimulating discussion of whether a basic income model of social security would better meet the needs of our citizens at a time when we are facing significant demographic and economic change. He and the hon. Member for Brighton, Pavilion (Caroline Lucas) have highlighted some of the pilot schemes under way internationally, particularly those in other advanced economies, notably the Netherlands, Finland and Ontario in Canada. There is a tacit acknowledgement that all the schemes are in an early stage of development or implementation, and some have not even commenced yet; nevertheless, they offer insights into how basic income models might work in practice and how they might be adapted for a UK context.
My hon. Friend pointed out that the idea has a long pedigree, dating back to the late 18th century. I first encountered the concept of a basic income or citizen’s Income models a number of years ago through the work of the late Scottish feminist economist Professor Ailsa McKay, who was particularly interested in exploring ways to close the income gap between women and men—a gap that more than 40 years after the Equal Pay Act 1970 continues to grow through the course of women’s working life and becomes most acute in old age. The idea of a citizen’s income did not have so much currency back then, but more recently there has been greater interest in a range of basic income approaches and the start of a more serious debate. Although that debate is still in its early stages, I am glad it is opening up.

As we have heard, the proponents of basic income schemes argue that giving every citizen the automatic right to an income could help tackle our growing problems of extreme poverty and destitution, streamline the complex bureaucracy of the existing benefits system and promote greater social inclusion. Those are all laudable aims, but for me one of the most attractive aspects of a basic income approach is that it would to some extent neutralise some of the toxic rhetoric that has developed around social security recently and has perpetrated divisive and damaging stereotypes about people living on low incomes. A basic income or citizen’s income would undoubtedly help us to move away from the trope of the undeserving poor and make it much harder to blame those swept away by rough economic tides for their own financial insecurity. That in itself makes it pretty appealing. When the gulf between the wealthy and the rest has not been so stark in living memory, any social security system that promotes social cohesion and a meaningful contract between the citizen and the state deserves to be explored.

None the less, I still have a lot of questions about how a basic income model would work in practice and whether it can live up to the grand claims sometimes made for it. My questions are mostly pragmatic. My biggest concern is that a minimum income could act as an income ceiling rather than a floor for large numbers of people, particularly those who are already the most economically disadvantaged and for whom the prospects of supplementary income over and beyond that are the most fragile. It would be counterproductive if those who are unable to work or have limited capability for work were to find themselves caught in a new, newly differentiated poverty trap.

I also worry that the value of a basic income could become eroded over time. We have seen, for example, how the value of the state pension has been diminished over recent decades to the extent that no one expects to live on it as a sole source of income any more. The poorest pensioners have to receive top-up pension credits to bring them up to a basic standard of living and those lucky enough to have had the opportunity to save through an occupational pension scheme depend on that income to top up their state pension. I wonder how we can avoid the risk that the value of a citizen’s income would shrink over time, entrenching poverty for those who would be most dependent on that income.

In addition, we would still face the major challenge of tackling income inequality and the widening gulf between those in secure, well paid jobs and the increasing numbers in insecure, intermittent, low-paid work. In my view, that is key to building a fairer society. A basic income could arguably smooth the fluctuations in earnings for those in precarious employment, but it would not do anything to close the earnings gap and it would mean that over time those in well-paid jobs could move even further adrift. My own sense is that a greater emphasis on reducing income inequalities in the tax and benefit system as a whole would go further towards promoting social cohesion. I will be interested to see the extent to which the basic income schemes being trialled in an international context address that point.

I am also interested in how basic income models could articulate and interact with those parts of the tax and benefit system that would still need to be based on assessment and means-testing. Most of the proposals I have seen for basic income models in the UK context exclude housing and disability benefits. Aside from state pensions, the biggest chunk of our social security budget goes on housing benefits and the level of support claimants get varies widely across the country, depending on the housing market in different areas, whether a claimant lives in private rented accommodation or social housing, and their income levels, because it is a means-tested benefit that is gradually reduced as earnings or incomes rise. Someone living in London renting in private sector accommodation and working in a minimum-wage job would receive a lot more in local housing allowance than someone in similar circumstances in my constituency for example, simply because the market rents are so much lower in my constituency. It is hard for me to see how we get away from variable rates of housing support given the huge disparities in housing costs across the UK, so we would still be left with means-testing for large numbers of people. Unless we are very careful on how withdrawal tapers are managed, a lot of people in rented accommodation could be left substantially worse off.

Similarly, there would still need to be capability assessments of some sort for those unfit for work, assuming that we recognise that sick and disabled people face extra costs and have less recourse to alternative income streams. In some cases, people will need long-term support. If one of the advantages of basic income models is that it gets away from harsh conditionality regimes and punitive sanctions, the problem for sick and disabled people is that they would still be subject to assessments and conditions even if the benefits themselves are non-means-tested.

I retain an open mind about the merits of basic income models, but until we examine specific models, it is impossible to fully assess the pros and cons or any potential unintended consequences of such substantial policy change. We need to be cautious in our approach, while looking carefully at the emerging evidence on how these models might work in practice and could be used to benefit people in the UK.

5.3 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Davies. I start by congratulating the hon. Member for Inverclyde (Ronnie Cowan) on securing this debate, which is most welcome and timely. The contributions that we have heard demonstrate that we are in absolute agreement that our current social security
system is not fit for purpose. It is not delivering for claimants, who frankly deserve better, in a whole range of different ways. The Minister and I have exchanged views on that in many debates in the past; the detail is there for everybody to review.

Like the hon. Member for Banff and Buchan (Dr Whiteford), I am open-minded on this issue. I want to see the evidence, and it is very early days yet. We know that the current social security system is not delivering, in particular for people in work on low incomes, who might also go from in-work to out-of-work and back into work. The system is not flexible enough. The rapidly changing labour market is not currently catered for by our social security system. The Bank of England’s chief economist, for example, suggests that 15 million jobs are at risk of automation. These are huge changes, which have been growing over the last 20 years or so. Whether or not those jobs will be replaced by new sectors, we have seen a massive change in the labour market, with zero-hour contracts and insecure, low-paid work—our social security system is just not dealing with that. It is not fit for purpose in today’s labour market and there are huge ramifications for how we adapt and develop our social security system to ensure it can properly respond to the rapidly changing circumstances that workers face, and provide them with the necessary security to build happy and fulfilling working lives.

In the light of those great challenges, the Government’s ongoing failure to implement the universal credit programme is of serious concern, and questions about that were again raised last week. Universal credit was meant to attempt to address some of the challenges around flexible working. Unfortunately, because of the way it has been pared back in recent years, as well as the difficulties with implementation—at great public expense—that has just not happened.

Kate Green: Would my hon. Friend accept by contrast that Labour’s working tax credit, after initial teething problems, was very effective in reaching low-paid workers, lifting families out of poverty, making work pay and responding to changing work circumstances?

Debbie Abrahams: Absolutely. My hon. Friend has, as ever, hit the nail on the head. I am proud of Labour’s record of lifting nearly 1 million children out of poverty as a result of that policy. It is one of which we should be justifiably proud.

We need to respond to the rapidly changing labour market. The Government’s failure to deliver on the heavily diminished universal credit project has led to considerable problems and it is right that we look at the alternatives out there.

There are, of course, different views on what universal basic income is. At its simplest, it is about all of us having a non-contributory, unconditional lump sum, which would be available to all citizens regardless of means. I would like to explore both the positives and negatives. We have already heard some of the positive arguments, such as its simplicity and the way in which it may lift people out of poverty. Currently, there is very poor take-up of income-related benefits across the country. A mere half of those entitled to income-based jobseeker’s allowance are claiming their entitlement. That might have something to do with the current Government’s sanction regime, but it is undoubtedly encouraging the numbers of people experiencing poverty in the UK, which now stands at 13 million people. By offering a simple, single sum to all, UBI may go some way to tackling the poverty that so many of our citizens are facing.

In replacing our complex system of universal contributory and means-tested support with a single, simple mechanism, UBI would also allow for a greater simplification of social security administration, with subsequent savings to the Department’s budget. Again, we really need to look at that.

Secondly—this is a really important point—by offering support to everyone regardless of their circumstances, UBI could go a long way to ensuring that the British public retain trust in the social security system. Over the last six years, we have seen the complete erosion of the social security system and the denigration of claimants. Some of the language that has been used—not by the Minister but by some of his colleagues—is frankly shameful.

The recent Fabian Society report, “For Us All”, demonstrated that the Government give as much tax support to people on high incomes through the shadow welfare of tax reliefs as they do to the poorest in our society. It has been suggested that if we were to replace the Government’s tax reliefs for the wealthy with a single universal payment, the reality that social expenditure benefits us all would be much clearer. It would get us away from the Government’s divisive rhetoric of strivers and skivers. Fundamentally, Labour believes that we should value our social security system, which, like our NHS, is based on the principles of inclusion, support and security for all, should any one of us become sick or disabled, or fall on hard times.

Let me focus on some of the concerns. Alongside those arguments in support of UBI, it is clear that tension could arise between its simplicity and its adequacy in supporting people with vastly differing needs and circumstances, which the hon. Member for Banff and Buchan described. A flat rate could not possibly provide the additional costs associated with disability—approximately an additional £500 a month—which are one of the causes of disabled people being twice as likely to be living in poverty. The Government, with their swinging cuts, have not recognised that. To allow for variations in need, UBI would need to be supplemented with additional top-ups, increasing its expense and complexity, which is where we get to some of the issues discussed earlier.

My final substantial concern is the cost. A recent report by the Joseph Rowntree Foundation suggested that realising the policy would require not only an increase in income but a considerable shift in the general public’s understanding and knowledge of what and whom a social security system is there for. We know from the British social attitudes survey’s time-series analysis that although superficially there are peaks and troughs of support, when people understand what the system is for, whom it is for and the circumstances in which people make claims, they are a lot more supportive of it, so we need to inform people and extend their understanding.
I welcome this debate and I again thank the hon. Member for Inverclyde for securing it. I look forward to further exploring the strengths of UBI, but we must make informed decisions and evidence-based policy.

5.13 pm

The Minister for Employment (Damian Hinds): It is a great pleasure to serve under your chairmanship, as always, Mr Davies. I would like to join the congratulations to the hon. Member for Inverclyde (Ronnie Cowan) on securing this important debate. I thank everybody from all parts of the House who contributed to it. I was particularly interested in the speech of the hon. Member for Oldham West and Saddleworth—

Debbie Abrahams: Oldham East.

Damian Hinds: I am so sorry.

I think she confirmed that the official Opposition are considering a universal basic income. We already knew that the Scottish National party will look into it further considering a universal basic income. We already knew for Oldham West and Saddleworth—

Debbie Abrahams: I think the Minister is running away with himself. I said it would be useful to explore it. That is not how he characterised it.

Damian Hinds: I am grateful for the clarification.

A universal basic income or similar systems that guarantee a minimum income to all have been debated and discussed at some length across the world. This debate has been stimulating and important, and discussing UBI and similar concepts, such as the negative income tax, which was a popular subject for academic debate before UBI, is an engaging activity. Any system that promises protection and, to quote the recent report from the Joseph Rowntree Foundation and Compass, “freedom of choice for individuals between work and leisure” is bound to sound appealing. It is difficult to argue with a utopian system that enables individuals to choose whether to work or to engage in leisure activities, alongside all the other valuable things that people do, such as voluntary work and caring.

However, as the Compass report suggested, the big issue with UBI is not whether it is desirable but whether it feasible. Would it be affordable, and could it be introduced in a way that prevented losses among the poorest sections in society? The hon. Member for Inverclyde said we should not turn our back on laudable aims. I could not agree more, but laudable aims are not enough. When Jack Kennedy said he wanted to put a man on the moon, he knew that just willing it would not make it happen. It had to be technically feasible.

The Citizen’s Income Trust, which the hon. Gentleman cited, and the RSA claim to have developed cost-neutral models for a scheme, but less highlighted is the fact that they could do so only by collecting huge amounts of additional tax. I can confirm that that is not everybody’s definition of cost-neutral. As the JRF and Compass report found, the additional tax revenue required to deliver a sustainable UBI would be as much as £160 billion. Such a system is clearly unaffordable, even if we assume that the introduction of a UBI would not affect individual behaviour in the labour market and that nobody would give up paid work as a result of its introduction. That assumption, of course, goes against common sense. It goes against trials that have happened in other countries, which have been referred to, and the principles of this Government and all recent Governments that I know of.

Caroline Lucas: I have got the Compass figures in front of me. The report says that the net cost of the hybrid model that Compass proposes would be about £8 billion a year. That is a significant sum, to be sure, but it is not impossible if we are talking about a revolution in the way that work is organised. The problem with many of the contributions this afternoon is that it has been assumed that we go on as we are now and suddenly graft a citizens’ income on top of it. I think the way work is going to look in the future will be very different; therefore we need to look at bolder ideas.

Damian Hinds: I think the hon. Lady has the relevant page in front of her; I do not, but I have it nearby. From memory, if she casts her eye about three lines further up above the £8.2 billion figure, she will find another figure for what the impact on income tax will be. That is where the total effect, which is so much greater, is laid out.

Debbie Abrahams rose—

Ronnie Cowan rose—

Damian Hinds: I am spoilt for choice. I give way to the hon. Member for Oldham East and Saddleworth.

Debbie Abrahams: I am interested that the Minister is picking on one model. We need to be clear that there is a range of different models. He needs to clarify that in his remarks.

Damian Hinds: I am more than happy to clarify that the report looks at five models. There are three different proposals that might be called pure UBI models, which would deliver different levels of universal income; then there are two hybrid or adjusted models. The one that the hon. Member for Brighton, Pavilion (Caroline Lucas) referred to was, I believe, model No. 5, so it was the second of the adjusted models. The other ones are more expensive. The pure UBI models are more expensive than that one.

Ronnie Cowan: As we have heard here and in the main Chamber on a number of occasions, when the money is required, it is found, whether it is to renovate this place or Buckingham palace, or to spend on the vanity project that is High Speed 2 or on Trident nuclear missiles. The money is there; it is just a question of which box we want to put it into.

Damian Hinds: I do not know where to go with that. I am not sure that it is true that the money is there; in fact, I am confident that it is not. In this country, the only way in which we raise money for public expenditure is through taxation on individuals, companies and other activities.

Dr Paul Monaghan: Everyone watching the debate will be interested if the Minister can tell us which of those initiatives that my hon. Friend the Member for Inverclyde (Ronnie Cowan) cited cannot be afforded by the UK Government?
Damian Hinds: One of the main things that I am in the Chamber to say is that a universal basic income has a number of drawbacks, one of which is the great cost attached. If I may, I will now continue through my remarks.

The Government’s approach to welfare has been about recognising the value and importance of work, making work pay and supporting people into work, while protecting the most vulnerable. A universal basic income goes against every aspect of that approach. Indeed, it would put at risk the huge progress that we have made over the past six years in transforming lives through the power of work. Employment is at a record high. As we announced this morning, there are now 31.77 million people in work.

Kate Green: I hope that the Minister, in his analysis of the Government’s track record in relation to paid work, will also address the rise of in-work poverty under this and the previous coalition Government?

Damian Hinds: If the hon. Lady will bear with me, the claimant count is close to its lowest for 40 years, unemployment is at the lowest rate for 10 years and pay is rising. Our reforms are working. Why would we put all that at risk by implementing a blunt policy of financial handouts that does not treat people as individual human beings, with their own different ambitions and aspirations? UBI would also make no allowance for those with additional needs—a pure UBI system has no additional payments for those with disabilities or variations in housing costs, as the hon. Member for Banff and Buchan (Dr Whiteford) highlighted. Our reforms are about supporting people to reach their full potential, treating them as individual human beings and giving them the opportunity to get on.

Universal credit lies at the heart of the Government’s commitment to reform the welfare state, as the Opposition spokesperson, the hon. Member for Oldham East and Saddleworth, rightly identified. We want a welfare state that is fairer and more affordable, tackling poverty and welfare dependency, while supporting the most vulnerable households. The Government believe that work is the best route out of poverty, which universal credit supports by supporting people into work and by making work, and more work, pay. Together with the rise in the personal tax allowance, investment in childcare and the national living wage, our reforms are ensuring that support goes to those who need it most. There is additional help to cope with essential living costs, such as housing and childcare, and we will ensure that being in work will always pay.

Universal credit is already changing people’s lives for the better. Claimants are moving into work more quickly and staying in work longer than under the legacy system. For every 100 people who would have found employment under the old jobseeker’s allowance system, 113 universal credit claimants will have moved into a job.

Debbie Abrahams: There is so much in that sentence, and the preceding ones, that I do not know what to pick on first. The increase in wages is slowing down, according to today’s figures. Also, will the Minister explain why millions of people will be affected by the cuts in work allowances for UC under the Welfare Reform and Work Act 2016? In effect, they will get a £2,000-plus a year cut.

Damian Hinds: According to this morning’s figures, we still have good wage growth in this country, and at a time when we have low levels of inflation, so real wage growth is also close to 2%. The hon. Lady mentioned universal credit, which is a massive reform to the welfare and social security system, with the smooth taper rate taking away the cliff-edge points at 16, 24 and 30 hours a week. Those are important developments in supporting people into work and up the hour scale.

Some of the extra things we are doing include childcare, with the 30 hours for three and four-year-olds, the tax-free childcare and the increase under universal credit relative to tax credits in the 70% to 85% of eligible childcare costs. Those are all critical things that the Government have been doing to reform welfare, and to help people into work and to develop in work.

Our high employment rate shows that an active welfare system that helps people into work, rather than only handing out money to everyone in the same way, is the right approach. Compare that to a system of universal basic income. I have already mentioned the report from Compass and the JRF, which shows that UBI would be prohibitively expensive. The report also shows that UBI would create too many losers among the poorest families and dramatically increase the number of children living in poverty—a point confirmed through modelling even by the Citizen’s Income Trust. UBI would dramatically increase inequality, because it does not account for individual needs and circumstances.

Some, such as the RSA, in what was a reasonable line to develop, suggest introducing adjustments—some such points have been made in the debate—and maintaining additional means-tested benefits alongside a UBI to fix that inherent flaw. The problem, however, is that the more we adjust to counteract the inequalities inherent in a UBI system, the closer we come to something that begins to resemble universal credit.

Universal credit is far more than simply a system of giving out money. It incentivises claimants to move off benefits and it provides tailored support to help people find work and increase their earnings. In contrast to universal basic income, a UBI allows for means-tested payment to encourage that or to increase incentivisation, and for no complementing support to help people make the most of their potential.

Even the most modest of UBI systems would necessitate higher taxes, as I was discussing just now with the hon. Member for Brighton, Pavilion. Those increased taxes would be combined with the erosion of the tax-free allowance. At the same time, it would cause a significant decrease in the motivation to work among citizens, with unforeseen consequences for the national economy.

Trials of UBI have been mentioned in the report and in the debate today, such as those in the 1970s in the USA and Canada. The results showed that 5% of primary earners moved out of work, and an even greater number among secondary earners. The recent report that we have been discussing highlighted those results, but called that a small drop. From the perspective of a Government who have had to work hard with business—to have the entire economy working hard—to increase the employment rate by 4.3% over the past six years, that does not sound like a small drop to me.
Whereas at first sight a UBI seems attractive, as more scrutiny is given to the idea, the less attractive it becomes. As recently as June of this year, the concept of a universal income was formally rejected by Switzerland, as hon. Members know, with nearly 77% of people opposing the plan in a referendum.

I will briefly address some of the particular points made by hon. Members during the course of the debate. The hon. Member for Inverclyde suggested that our existing system has been driving up inequality, but 300,000 fewer households than in 2010 are now in relative low income. The evidence is clear about the role of work in helping families, and children living in those families, out of poverty. The evidence is strongest about where it is possible to move into work—/[Interruption.]

Geraint Davies (in the Chair): Order. There has been some sedentary commentary, but we have until 17.38, so if people want to ask to make an intervention, please do—obviously, it is for the Minister to allow.

Debbie Abrahams: Will the Minister give way?

Damian Hinds indicated assent.

Debbie Abrahams: Three out of four people in low-paid work are still in low-paid work 10 years on. How is the system helping them?

Damian Hinds: Helping people on relatively low incomes to increase their incomes by moving up the hours scale or the earnings scale is of course an objective that the hon. Lady and I share. That is why we have made the childcare reforms that I alluded to and brought in the national living wage, which will affect people who were previously on the national minimum wage but will also have a ripple effect on pay grades immediately above that. The critical thing, which we come back to time and again, is that universal credit will reform the system, in which there are certain cut-off points on the hours scale, to ensure that there is as smooth as possible a transition through work.

The hon. Member for Brighton, Pavilion talked about less secure employment. It is certainly true that today’s labour market differs in several ways from the labour market of the 1960s and 1970s. Several factors are at play, including the long-term shift to the service sector and the fact that people are living longer. Yes, it is also true that people are much less likely to stay in a job or work for one employer or even in one sector for their entire careers, but it is important to note that three-quarters of the increase in employment since 2010 has been in full-time work. Only around 14% of people in part-time work would prefer to be working full-time, although obviously we want to increase the opportunities for them.

Relatively few people in the economy rely on zero-hours contracts, which give people on average around 25 hours of work per week. We know from surveys that most people on zero-hours contracts are not seeking to increase their hours. Although those types of contracts clearly are not even close to being suitable for everyone, there are some people for whom they work. A lot of people on zero-hours contracts are students or people coming back into the labour market, and such contracts can be a good way in. It is absolutely right for the Government to have banned exclusivity clauses that prevent people from taking up other work.

Dr Paul Monaghan: Will the Minister give way?

Damian Hinds: Will the hon. Gentleman forgive me if I press on? The extremely important point of technological change was raised, and that needs to be debated in the House and elsewhere. Some proponents of a universal basic income cite the inevitable changes in the world of work, driven by technological advance and artificial intelligence, which they believe will make many jobs obsolete and increase unemployment. That argument has a long pedigree, which goes back beyond the spinning jenny, and I do not at all belittle the importance of that discussion or the implications of structural change. We must of course be sensitive to such possibilities, but time and again over the decades, as technological change has removed the need for one type of work, it has created another.

In conclusion, although a universal basic income may appear to be desirable at first glance, any practical implementation would, I am afraid, be unaffordable. Because UBI does not properly take into account individual needs, it would markedly increase inequality. Universal credit is the right system for the United Kingdom. This responsible Government are implementing a system that encourages work, supports the most vulnerable and is affordable.

Geraint Davies (in the Chair): I invite Ronnie Cowan to wind up the debate, for a couple of minutes.

5.33 pm

Ronnie Cowan: Thank you very much—and it is pronounced Cow-an, as in cow, as in “moo”.

Geraint Davies (in the Chair): Cowan—sorry.

Ronnie Cowan: I thank the Minister, the hon. Members for Oldham East and Saddleworth (Debbie Abrahams) and for Brighton, Pavilion (Caroline Lucas), and my hon. Friend the Member for Banff and Buchan (Dr Whiteford) for their contributions. I also thank the Members who interceded and kept the debate going, which is an important part of the process: the hon. Member for Stretford and Urmston (Kate Green), my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) and the hon. Member for Solihull (Julian Knight), who is no longer in his chair—he adopted the seagull strategy of fly in, make a lot of noise and leave.

I am disappointed that the Minister seems so intransigent in his support for the current system. It concerns me slightly that he is so happy with the status quo. I end with a quote from Noam Chomsky, who said:

“Optimism is a strategy for making a better future. Because unless you believe that the future can be better, you are unlikely to step up and take responsibility for making it so.”

I ask the Government to take responsibility.

5.34 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Westminster Hall

Thursday 15 September 2016

Prison Safety

1.30 pm

Robert Neill (Bromley and Chislehurst) (Con): I beg to move,

That this House has considered in the Sixth Report from the Justice Committee of Session 2015-16, on Prison Safety, HC 625, and the Government response, HC 647.

It is a pleasure to serve under your chairmanship, Mr Stringer, and to welcome the Minister to his place. I think this is the first time he has had the chance to reply to a Westminster Hall debate on this topic.

I am grateful to the House for this opportunity to debate the Justice Committee’s report; I thank all my Committee colleagues for their work, and other hon. Members from across the House who have a long-standing interest in justice. I am particularly pleased to see the former prisons Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous), to whom I pay tribute for his work in an always difficult area of policy.

The Committee colleague with whom the Committee worked. The right hon. Member for Delyn (Mr Hanson) graces us on the Select Committee and we have had the benefit of his input.

Dr Rupa Huq (Ealing Central and Acton) (Lab): There are two former Ministers here!

Robert Neill: Indeed. I was referring to the immediate former prisons Minister with whom the Committee worked. The right hon. Member for Delyn (Mr Hanson) graces us on the Select Committee and we have had the benefit of his input.

Let us be blunt. Prison safety is terrible. Those are not my words, but those of the former Secretary of State, my Friend the right hon. Member for Surrey Heath (Michael Gove), in a prompt and frank response to our inquiry. He is entitled to credit for that.

The difficulty, which the current Minister will recognise and accept, is that prison safety was terrible when our report came out and it has got worse. I have hesitated until now to talk about a crisis in prison safety, but I think we are now at that stage. I say that because on every measure, safety has deteriorated and has continued to do so over a long time. That cannot be regarded as a one-off blip and we see no sign yet, despite considerable Government endeavour and intervention—which I do not dispute—of the situation or the underlying reasons being turned around. The situation has become grave and our report is particularly timely. That is important for two reasons.

First, whatever one’s view about the purpose of prison and how much emphasis we place on rehabilitation on the one hand and retribution or prevention of danger to the public on the other—all legitimate considerations to put in the mix—when the state legitimately takes it upon itself through proper process to incarcerate someone for their wrongs against society, there is an element of punishment in doing that properly, but we also take on board responsibility for ensuring that they are treated not only humanely, but safely. If the state fails in that, it fails in one of its primary obligations.

Secondly, in respect of broader policy, the current Secretary of State, like her predecessor, and the Minister, like his predecessor, are committed to a policy of prison reform. I hope that all of us in Westminster Hall today are committed to a policy of prison reform. The reality is that the less safe the prisons are, the harder it is to achieve reform. If we want real rehabilitation, real change and to reduce reoffending, a raft of interventions in prison is required, which can be properly delivered only if prisons are safe to start with.

John Howell (Henley) (Con): In the context of what my hon. Friend is saying, does he share my disappointment with the Government response? It seems to paraphrase what we said in our report without giving any substance to our recommendations or to what we want to achieve.

Robert Neill: I agree. Although the response runs to several pages, the substance is not yet there. As I will say to the Minister in due course, I am glad that the Secretary of State has talked in terms of a prison reform and safety plan. That is good. There is movement on publishing statistics, but what are absent are the matrices that we said are critical to any proper monitoring. There is also a disconnect in the timeframe of those statistics being available and being made available to the House for scrutiny.

Those were important parts of our report—I will develop the point—because, for a number of reasons, many of us are increasingly questioning the sustained ability and capacity of the National Offender Management Service, as currently constituted, to bear down on this issue. Frankly, NOMS has a continuing light of scrutiny on it and I know the Secretary of State is keen to achieve clear delivery markers against which progress can be measured. She is right to want that and it is disappointing that we have so little detail so far. I will return to that issue in more detail. My hon. Friend is entirely right.

We have seen a period of decline, not just in the view of the House and the Committee, but independently. Report after report from Her Majesty’s Chief Inspector of Prisons, the prisons and probation ombudsman and a raft of criminal justice non-governmental organisations have all spoken of the real difficulties and decline. We have had debates in the House and urgent questions. NOMS has put in place various measures, but the truth is that it does not seem to be delivering on some of the key issues. That is why I say we have reached a crisis point. We need urgent action to identify those difficulties.

My other concern about the Government response is that there is no sense of urgency that, if I may be blunt, we did get from the initial response of the previous Secretary of State, my right hon. Friend the Member for Surrey Heath, in his swift reply to us. I am not insinuating that good will and good intentions have gone away. It is classically said that there are no votes in prison reform, and one of the tasks of a Justice Department is to keep it at the top of the agenda, to make the case publicly and perhaps to challenge some long-entrenched practices. A sense of urgency must be engendered, not least because the deliverability of the whole broader prison agenda depends on getting safety right so that there is a stable environment in which to deliver it.
Alex Chalk (Cheltenham) (Con): On deliverability of the ambitious and welcome programme, does my hon. Friend agree that a healthy and safe ratio between staff and prisoners is vital and that ultimately we must grasp the nettle? There must either be more prison officers or fewer prisoners to get the ratio back into equilibrium.

Robert Neill: My hon. Friend is right. There is no other solution but to grasp the nettle. Some will assert that we should increase the staff, and they have to grasp the nettle that that means more public spending. I do not think most of the public are in the mood for that, but I think the public mood towards prison reform has changed markedly in the last 20 years. It has changed during my time in the House. It was apparent in debates during the last Parliament that people are, rightly in my judgment, much more open-minded now about the need for prison reform. No one is beyond rehabilitation—that is an exaggeration: precious few people are.

I spent 25 years practising at the criminal Bar. I dealt with some very nasty people indeed and some dangerous people, some of whom needed to be locked up and kept away. I also dealt with some stupid people. [Interruption.] I leave aside members of my profession or even the judiciary, but I dealt with some people who were stupid and got themselves into trouble because of that. I dealt with people who did not have an education or skills and who made certain choices. They got their lives into a mess through drugs, alcohol and disrupted families. I suspect that they make up the majority. Whenever I visit the women’s estate and talk to women prisoners, I find that the vast majority of one kind or another have certain issues in their lives—often mental health problems and related issues.

We cannot treat this matter in a simplistic fashion. Simply saying, “Keep the numbers up and just produce more staff” makes no sense to my mind as a Conservative given the need to keep public spending under control, because we would be giving a demand-led blank cheque; it also makes no sense in terms of the ambitious agenda for social reform that the Prime Minister, the Secretary of State, the Minister and I believe in.

It seems to me that the answer to the question from my hon. Friend the Member for Cheltenham (Alex Chalk), based on his own considerable experience as a practising barrister and his having seen exactly the same people, is yes, we must grasp that nettle. It is pretty obvious to my mind that the answer is a greater emphasis on rehabilitation, education and reform, and that is why getting safety right is all the more critical.

I think that all or almost all of us share the same objectives, but the question now is about willing and providing the means to achieve them, and that is what our report was about. I hope that the Minister will tell me that the Government response was a measure of their commitment to the Government’s ambitions and welcome programme, does my hon. Friend agree that a healthy and safe ratio between staff and prisoners is vital and that ultimately we must grasp the nettle? There must either be more prison officers or fewer prisoners to get the ratio back into equilibrium.

John Howell: My hon. Friend may recall that at a recent Justice Committee meeting, I asked the Secretary of State how she would deal with the legacy of the previous Secretary of State’s reforms and the actions that he had taken to deal with prison safety. The response that she gave caused the press to argue that she was going back on the commitments that he had made. Does my hon. Friend share that view?

Robert Neill: When I was a Minister, I was sometimes portrayed unfairly in the press, so I shall adopt a practical approach: let us see what happens. But I do think it important that we do not, any of us, send any signals that reform is less pressing or less important. Were that to be the case, it would be disappointing and, I think, an error. I am conscious of the clarification that the Secretary of State issued after her appearance before the Justice Committee, and I will take her at her word on that, but we need the measures that we talked about to be brought forward swiftly. If Brexit means Brexit, to adopt a phrase, pace means pace, but pace requires detail in order for there to be credibility in how things are delivered. That is the approach that I take—we want to be constructive and assist the Government on what I think is the right path, provided that it is followed through consistently.

I shall touch on just a few more matters before I finish so that other hon. Members can speak—this is a well-attended debate. First, I have referred to the matrices showing that everything is going in the wrong direction at the moment, such as on assaults, self-harming and deaths in custody. All those figures are going the wrong way. The data are set out well in a report that is readily available in the public domain, so I shall not cite a raft of figures, because I suspect that that would not add a great deal, but the trend is clear.

Secondly, despite genuine efforts by NOMS to recruit staff, the number of new staff coming in is significantly offset by the lack of retention. The problem is that we are very often losing some of the most experienced officers—some of the coolest heads. When there are difficulties to do with safety, such as dangerous situations arising on a wing, one wants to have experienced prison officers around to deal with it.

The fewer there are, the greater the risk that things will escalate rather than being brought back under control, so there is a direct link between retention and safety, which we highlight in our report. That is one thing that the Government need to do more to address. We are not convinced that NOMS has a deep-seated understanding of what causes the lack of retention, why recruitment is increasingly difficult and what underpins both those factors, so we need more flesh on the bones of that.

Let me deal briefly with some other matters. Steps have been taken—again, let us recognise that—on the possession of knives and new psychoactive substances in prison, but I am not sure that we are fully on top of that issue, either, particularly in relation to those new substances. The issue is one of technology: the ability to fly in substances and a raft of other things with drones is enormous.

Of course, that brings us back to the circular issue referred to by my hon. Friend the Member for Cheltenham. If, as we have seen on our visits, people are locked up in their cells for 23 hours a day, and if there are illegal...
substances in prisons, prisoners’ ability to make use of them is all the greater given their close confinement and the growth of gang culture and peer pressure. The more that people are out of their cells and doing something purposeful, the better it is to combat the misuse of substances. That cannot be done sustainably with the current prison population, which is a very important issue.

The direction is right, but we need to be more vigorous and radical in tackling some of those important issues. That brings me back to a point made by my hon. Friend the Member for Henley (John Howell): we are disappointed about some of the detail in the Government response. We called for the Ministry and NOMS jointly to produce an action plan on prison safety, addressing the underlying factors behind violence, self-harm and suicide. We said that that plan should include preventive and punitive measures, because those two things have to be in the toolbox of any prison governor. We also wanted objectives and indices. The Secretary of State is right to commit to a prison safety and reform plan—that is good—but it is the missing detail that people need to see urgently.

We asked for quarterly reports on progress on the plan, rather than the six-monthly reports suggested in the Government response, not as a matter of caprice but because we wanted the reports to coincide with the publication of the quarterly safety in custody statistics. Otherwise, frankly, they are pretty meaningless. The whole point of transparency and scrutiny is to have the two sets of figures together so that we can compare and contrast. That is why I urge the Government to rethink their response on that matter. The information is collated, and there is no doubt that it is available—I am sure it is available to Ministers on a regular basis. There is no practical reason at all why it cannot be made available in the way we suggest in our report. It is not an expensive or a difficult ask, in other words.

We are also looking for specific information on incidents of disorder in prisons, including the deployment of the national tactical response group; a more comprehensive set of data about staffing; and performance ratings for individual prisons. We do not know yet whether the previous Secretary of State’s league table initiative will continue, but certainly we want performance ratings for prisons. I accept that it is not always easy to make complete comparisons, but on safety it is, actually. We can compare data on safety even if we cannot do so for rehabilitation in a particular prison, so there is no reason why those data cannot be available.

The same goes for data on the average number of hours each day that prisoners spend locked in their cells—I stress that in particular. I mentioned this earlier, but the amount of time that people spend locked up is entirely linked to safety levels. Boredom, the abuse of substances, the internet and a raft of other things, and the peer pressure of groups of people locked up together in a confined space for long periods all contribute directly to a deteriorating safety environment.

**Alex Chalk:** Is it not also the case that meaningful rehabilitation does not take place inside a prison cell? It is only when people are outside their cells and engaging in courses—be they on anger management, substance abuse or whatever—that they can truly come to terms with the problems that may, in some cases, be the reason why they got into prison in the first place.

**Robert Neill:** That is entirely correct. Heavens, one would have thought we had learned that lesson from the failures of the old Victorian silent and solitary system. Rehabilitation can only ever work when people are out of their cells and in workshops and education classes. Unless they do that, they will not get anywhere, and the regime has to be safe for the officers to get them out of their cells. That is why we have to tackle this problem at root.

**Richard Arkless** (Dumfries and Galloway) (SNP): Will the hon. Gentleman give way?

**Dr Huq:** Will the hon. Gentleman give way?

**Robert Neill:** I will give way to the hon. Member for Ealing, Acton and Shepherd’s Bush first.

**Dr Huq:** That is not yet the redrawn boundary—my constituency is Ealing Central and Acton at present, although it may be changed.

I thank the hon. Gentleman for giving way and pay tribute to him for his sterling work chairing our Select Committee. He mentioned how things are interlinked with education. That point has been vividly brought home to us on the many visits we have made, in particular to Aylesbury and Wandsworth, where we heard that prisoners sometimes want to go on educational courses but there are not the staff available to relieve others so that they can do it. It seems to be a Catch-22 situation, and people are locked into a cycle. They want to get education, but there are not enough staff to supervise the groups travelling across the courses. That means that courses are often cancelled, which is an unacceptable situation.

**Robert Neill:** The hon. Lady is right. I am probably so old in politics that I can remember a constituency configured that way in the past. She is quite right—it comes back to this same circle.

People who say that the only answer is more and more imprisonment and more and more lockdown perhaps ought to go into prisons more. There are an awful lot of people—even people who, frankly, deserve to be in there for some time—who are none the less interested in engaging in purposeful activity. That makes them less inclined to behave in a way that threatens safety and gets them involved in gangs or other forms of violence. It is a win-win at every level. Whatever the level of the sentence, providing such activity is a good and, basically, a morally right thing to do. However, we cannot put prison officers or instructors into environments where it is not safe for people to be out of their cells to get that education and personal activity. That is why getting the regime safe is critical to everything.

**Richard Arkless:** I add my voice to those of others on the sterling work that the hon. Gentleman has done in leading the Justice Committee since my election in May last year.

I reiterate the point about the vicious cycle that the hon. Member for Ealing Central and Acton (Dr Huq) touched on. The lack of resources means that prisoners are locked in their cells for 23 hours a day and cannot get purposeful activity—there are not enough prison officers to construct it. The lack of purposeful activity
then means they are predisposed to violence and to not being rehabilitated through the system. Clearly, the hon. Gentleman will agree that it is a vicious cycle. The key, as the hon. Member for Cheltenham (Alex Chalk) said, is to grasp the nettle by either reducing the prison population or resourcing prisons properly, so that prisoners come out into society rehabilitated.

**Robert Neill:** The hon. Gentleman is entirely right. I am grateful for his support for all our work on the Justice Committee, because although justice and prison matters are devolved to Scotland, we can learn lessons from each other about how things work across the whole of the United Kingdom. We do have to break that vicious circle. Resource is important, and to be fair, when our report was published, the Government did put in extra resource, which is welcome and to be commended. We are now saying that we have to see the detail of how we can monitor the use of that resource, so that it is used to the very best advantage. That is the most important thing that we need to be saying as we go forward.

I know many Members wish to speak, so I will conclude. I am glad that there is going to be a prison safety and reform plan in the autumn, and I gather that legislation is likely to be brought forward. I understand that the shape of it is not always possible to commit to greatly in advance, but it is really important that we maintain the pledge made in the Queen’s Speech that prison reform would be a key part of the Government’s agenda. I hope the Minister will bear that in mind. I am not going to press him now to say what the shape of the legislation will be, but he could give us commitments to provide more details following the Government response.

**The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah):** I thank the Chairman of the Justice Committee for giving way to me so early in the debate. I assure the Select Committee that prison reform, which was a key plank of the Queen’s Speech for this Session, remains so. That commitment still exists.

**Robert Neill:** I am grateful to the Minister for a considered, and therefore authoritative, intervention. That is appreciated, and I think it will be welcomed by everybody on the Committee and everybody in the sector. I promise the Minister that the Committee will continue to work constructively with him and his colleagues in delivering that; it is an important message, for all the reasons that I have set out.

The Minister provides an appropriate point for me to bring my remarks to a conclusion. I hope we will soon have an idea of what shape the legislation is going to take. Are we going to continue along the route of governor autonomy? Will we progress down the route of reform prisons? Are there alternative routes?

In particular, we urge the Minister to do some things that would not require primary legislation, such as working on earned incentives and privileges regimes, and making appropriate use of the release on temporary licence scheme. Those things could be delivered fairly quickly and could be consistent with the thrust of the forthcoming legislation. I apologise if I have taken some time outlining the Justice Committee’s report, but we regard this as an important issue. I commend the report to the House and look forward to the Minister’s response.

**Graham Stringer (in the Chair):** The Minister has asked for and received the Chair’s permission to take his jacket off. If other right hon. and hon. Members wish to take their jackets off, they also have the Chair’s permission.

1.57 pm

**Mr David Hanson (Delyn) (Lab):** I echo the support for the Chairman of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), for helping to steer the members of the Committee to produce this report on a very important issue. Prison safety is important for the people who are arrested and sentenced and are in the state’s care in prison. It is also an extremely important issue for those who work in the estate, be they formal prison officers or people working in health, education or associated trades in the prison service. That is a key driver of the Select Committee’s decision to look at prison safety.

Let me say at the outset that nobody says this is easy. Ensuring prison safety is a very difficult task. Let us look at the performance measures. The Select Committee has drawn the attention of the House to concerns over prison safety because some key performance measures drawn up by Her Majesty’s inspector of prisons, the prisons and probation ombudsman, our own inquiries, and the Prison Officers Association have deteriorated over the recent period.

If I may, I will add some flesh to the bones of the concerns about prison safety. If I said that there were, for example, six homicides in prisons in the 12 months to 2016—the highest number on record—that would be a matter of concern to the prison estate and to this House. If we added to that the fact that serious assaults in prisons have more than doubled in the last three years, to over 2,197 prisoner-on-prisoner assaults and 625 serious assaults on staff in 2015, that would be of concern to the Prison Service and to this House. The number of sexual assaults has doubled since 2011 to more than 300 cases in 2015.

The Chairman of the Committee—my hon. Friend, if I may call him that—mentioned the national tactical response group, which has dealt with 400 serious disturbances in the financial year. The tactical response unit is not brought out unless the incident is extremely serious. Emergency services were called out to prisons more than 26,000 times in 2015 and the number of fires in prison has increased by 57% in the past year.

The rates of self-harm in prison are at the highest level ever recorded, with 32,313 self-harm incidents in 2015; in itself, that is a 40% rise over the previous two years. The Minister particularly needs to think about a policy issue relating to sentences of imprisonment for public protection, which were introduced by the Government I served in—although not when I was there.

The highest level of self-harm in prison is currently among those who are on IPP sentences. I suspect that that is largely because they do not have any date for when they will be released, which creates additional pressure on their mental health—never mind the challenges
that brought them into prison in the first place. Women—even though the number of women in the prison population is small—now account for 23% of all incidents of self-harm across the board.

"Those are difficult, staggering statistics, which show a deterioration over a number of years, but which are backed up by the position taken by the former chief inspector of prisons, Nick Hardwick. In his 2014-15 annual report—this is damming stuff—he said:

“You were more likely to die in prison than five years ago. More prisoners were murdered, killed themselves, self-harmed and were victims of assaults than five years ago. There were more serious assaults and the number of assaults and serious assaults against staff also”—increased in that period. The former independent chief inspector of prisons also said, and I will return to this point in a moment:

“It remains my view that staff shortages, overcrowding and the wider policy changes described in this report have had a significant impact on prison safety."

As hon. Members have indicated in interventions, there are two reasons why prison safety might deteriorate. The first is changes in the cohort of prisoners. We undoubtedly have prisoners with more drug problems and more mental health challenges, who are in for more serious crimes. However, when that is coupled with the reduction in staff and the pressures on staffing and on the Prison Service to meet those objectives in a time of great change, there are additional strains.

Nick Hardwick said:

“I share the conclusion of the Justice Committee report”. I do not need to repeat it all, because the Chairman has outlined it, but it states:

“We believe that the key explanatory factor for the obvious deterioration in standards over the last year is that a significant number of prisoners have been operating at staffing levels below what is necessary to maintain reasonable, safe and rehabilitative regimes.”

The hon. Members for Henley (John Howell) and for Cheltenham (Alex Chalk) have indicated strongly in interventions that the purpose of prison is not just punishment but rehabilitation. If we cannot provide rehabilitation and work and monitor some of the challenges that people face every day as a result of prison numbers, the challenges and frustrations will grow, and, ultimately, they will be taken out in prisoner-on-prisoner attacks, prisoner-on-staff attacks, self-harm, deterioration and in very tragic cases, suicide.

The current chief inspector of prisons said on the release of his annual report this year that the “simple and unpalatable truth” is that “too many of our prisons... have become unacceptably violent and dangerous places.”

That is a very damning statement, which the Government should, will and, I hope, can respond to.

The prisons and probation ombudsman joined in the commentary on the current state of prisons, backing up what has been said so far. He said:

“resources and staffing in prisons are undeniably stretched” and

“it is disappointing how often—after invariably accepting my recommendations—prisons struggle to sustain the improvement I call for.”

This is a difficult, challenging area, as anyone who has ever worked in the prison system will understand. I know that hon. Members who have held the post of prisons Minister in the past, or hold it now, will want to see improvements, and the key thing we need to look at is what those improvements are.

The hon. Member for Henley said that the Government’s response was a bit thin. Without being tedious in my repetition, it was indeed a bit of a thin response to the challenges identified in this report. The Government said—this is valuable and welcome, and the Minister will no doubt repeat this later:

“Prison safety is the Department’s top priority and is fundamental to making the radical reforms... We need decisive action to improve upon the current unacceptable levels of violence, self-harm and self-inflicted deaths.”

In saying that, the Minister confirms not just the statistics that we have—the statistics that, for example, the Prison Reform Trust have brought before us, and what the Minister’s chief inspector of prisons and the prisons and probation ombudsman have said—but what is common knowledge among prison officers who work in the system. They have said that assaults are rising and prisons are more dangerous, with more deaths and more self-harm.

I hope that the Minister can put some flesh on the bones of the Ministry of Justice’s thin response. Let me start with the statement that:

“The autumn plan will include specific steps for improving safety in prisons. It will detail the urgent steps required to improve the security in our estate”. Well, leaves are falling off trees now; we are technically into autumn. Could we have some indication—not just in the future—of what will be in that plan? What are the plan’s key features and its direction of travel? If urgent steps are required, they were required when the prisons inspector’s report was published, so will the Minister give some indication of what that means?

The response also says that the Government are:

“Monitoring the effectiveness of the recent investment of an additional £10 million in the Prison Service”. Monitoring the investment they have put in place is hardly an action plan. I would like to know what that £10 million has been spent on, whether it is sufficient to meet the existing challenges and whether the Minister has secured further investment to increase that £10 million. Presumably that £10 million is meeting some objectives to help reduce the challenges we face, but I am not clear what they are.

The response then gets a little more disingenuous. The Government say that they will enhance “the recruitment, and training, of prison officers. We have appointed more than 3,100 new Prison Officers since January 2015”, and that the overall number, therefore, will rise “by 300”. From January 2015, the number of prisoner officers is rising by 300, but it is not unknown to the Committee that prison officer numbers in March 2010 were 49,230 and that the prison officer numbers in March 2016 were 43,530, which means approximately 7,000 fewer prison officers are in place now than were in place six years ago. The Government say that prison officer numbers have increased by 300 because of their investment, but that is not really making a dent in the real issues and challenges that have been identified by the chief inspector of prisons, the prisons and probation ombudsman, the Prison Officers Association and not least, by the Chairman of the Select Committee and ourselves as Members.
Dr Huq: My right hon. Friend is painting a very compelling picture and giving a timeline. Does he agree that the logical consequence of the bleak picture he paints is more incidents such as the walkout in May at Wormwood Scrubs prison by staff, who felt so unsafe that they downed tools? That prison is on the border of my constituency—it is next door, in the constituency of my hon. Friend the Member for Hammersmith (Andy Slaughter). The situation has been described as “Dickensian squalor” by the current chief inspector, Peter Clarke, whom the Committee interviewed. I know this lot—the Government—are into Victorian values, but this is the wrong value to go for.

Mr Hanson: Self-evidently, if prison officers feel so unsafe in their place of work that they walk out, it is for them to express that concern. I hope they find mechanisms other than walking out because not being there does not make the prisoners any safer.

The key thing—this is linked to the previous point—is that six years ago there were 1.73 prisoners for each prison officer. Now, there are more than 2.015 prisoners for each prison officer, which affects the amount of investment and time they can put in. The Government’s response shows that a lot of people are walking away from the Prison Service. We have appointed 3,100 new prison officers in the past year but, overall, there has only been a rise of 300 officers. As well as the Government dealing with the issue of having sufficient prison officers, I would welcome their view on retention. Ultimately, we face a situation whereby some prisons have experienced prisoners and inexperienced prison officers, which is not a good mix if the system is to be managed effectively.

If we are losing the number of prison officers that the Minister’s report says we are in just one year—we have a net increase of only 300 prison officers after recruiting 3,100—what steps is he taking to incentivise people to stay, to ensure we retain recruitment and to keep experienced officers in place? Given the age profile of prison officers, will the trend be such that the Minister really has to ramp up recruitment because people will want to retire as they approach natural retirement age? What profiling has he done and will he confirm to the Justice Committee that his recruitment numbers will have a real impact given the number of prison officers we have lost?

The Government’s response puts in a word about mobile phones, which is a perennial problem that we have all dealt with during our times in the Ministry of Justice. They also make points about drugs in prison and about detection, which is equally important. They then come to the next issue, which is:

“Building five new prisons by 2020 to modernise the prison estate and close the most inefficient out of date jails.”

Perhaps the Minister will tell us, apart from Her Majesty’s Prison Berwyn, which is 10 miles down the road from my constituency, which are the other four prisons? When will he put bricks on the ground and which are the inefficient and out-of-date jails? At what stage will those predominantly Victorian prisons, possibly even some that have been mentioned today, be closed and what is the transition period for that? What measures, including staffing numbers, design, education and input, is he building into the new prisons, such as HMP Berwyn, to make them safer?

We can all sit here and pontificate on what should be done, but it is clear from the tone of the debate and the information to date that there has been serious deterioration over a range of measures and indices over the past five—and particularly the past two to three—years. A range of things can be done regarding staffing ratios, retention, drugs, mobile phones, education, mental health, and the cohort of prisoner numbers, but it comes down to points made by my fellow Justice Committee members, the hon. Members for Cheltenham, for Henley and for Bromley and Chislehurst. If we are going to continue to imprison people at the rate that we are, sufficient resources must be put in to manage that in an effective way to provide rehabilitation.

Looking into ways of taking people out of the Prison Service and into short-term community sentences might take some of the pressure off prison numbers. We cannot have a situation whereby there is an increased cohort of difficult, challenging prisoners with mental health, drug and alcohol problems, who are in for violent offences, and for longer sentences for a range of offences, when the way in which prison operates is dealt with by an ever-diminishing number of staff who are more poorly trained than and not as experienced as the people they are replacing, and whose safety, along with those who are in prison, is paramount.

Will the Minister put a bit more meat on the response now or indicate to the Justice Committee at what stage a bit more meat will be put on it? I look forward to the Committee being able to assess indices of success so that we have clear measurements of where improvements will be made.

With due respect to the document, rather than blind assurances that the Government will produce a plan, monitor effectiveness, look into increasing the number of prison officers, deal with drugs and phones, and build some new prisons, I would like a bit more detail. If the Minister is not able to give that today, will he commit to reporting back to our Committee at a time of his convenience with a detailed plan, including detailed indices for improvement and detailed financing for those indices, so that we can measure what happens in the future, rather than just take assurances, which, while well meant, may not actually meet the objectives we have set?

2.15 pm

Philip Davies (Shipley) (Con): It is always a great honour to serve under your chairmanship, Mr Stringer, and to follow the right hon. Member for Delyn (Mr Hanson), for whom I have a great deal of respect. As others have done, I commend our Chair of the Justice Committee, who does a great job in marshalling sometimes disparate viewpoints on the Committee.

When I say “disparate viewpoints”, what I am really referring to is me. As on many issues, I tend to have a very different view of the world—particularly the world of prison and sentencing—from that of many of my colleagues, so I might put a slightly different viewpoint from theirs. That is not to say that I do not have a great deal of respect for their views and expertise on these matters; we just happen to draw different conclusions.

One thing that never gets talked about with regard to prison safety that I want to talk about, and that I raised with the Secretary of State on her initial performance before the Justice Committee last week, is the change brought in under the last Labour Government: it has done immense harm not only to public confidence in the criminal justice system, but to safety in prisons.
That Labour Government passed a law, and this is a welcome opportunity to make a public service announcement to the many people who are not aware that it is on the statute book. The law stated that everybody who had reached halfway through their prison sentence had to be released from prison, irrespective of how disruptive they had been and whether they were still considered a danger to the public. Those prisoners have to be released halfway through their sentence.

The law had nothing to do with any great rehabilitation revolution, or with making our prisons or streets safer; it was introduced because the last Labour Government got themselves into a crisis over prison numbers and could not meet the capacity. They were desperately looking for ways to reduce the prison population. Anything would do.

One method they used was letting everybody off 14 days before the end of their prison sentence. The second method was to say that people had to be, by law, automatically released halfway through their sentences. It does not take a genius to work out that that will have—and this has proved to be the case—a negative impact on safety in prisons.

If prisoners have a six-year sentence, become eligible for release after three but could still serve the whole six years, the chances are that there will be an incentive for them to behave themselves in prison, get their heads down, work hard and do the things that are asked of them; if they do, the parole board may well let them out of prison when the three years come up. If they know they will be released from prison after three years no matter how well or badly they behave, what on earth is the incentive to behave in prison? There is none at all. It does not take a genius to work out that that is pure common sense.

If the Government want to get to grips with safety in prisons—and, as a by-product, instil a bit more public confidence in the criminal justice system—they must deal with that issue. They must repeal that terrible law and say to prisoners once again, “You become eligible for release halfway through your sentence, but only if you are considered to be safe to release to the public and if you have been behaving yourself in prison.”

I remember when the last Labour Government introduced this law—the Conservative party was appallactic. What have we done in our six years in government? Absolutely nothing. That is a disgrace—certainly for the millions of people who have gone down to the polling station to vote Conservative at a general election. Those people would expect a Conservative Government to deal with this, and I hope the Minister will not only address the issue in his remarks but will act on the situation in his time as prisons Minister.

Alex Chalk: My hon. Friend is setting out his characteristically robust and principled position, with which I do not disagree. But even if that welcome repeal were to happen, is not the difficulty that it would lead to such additional pressures on the prison system that, frankly, we would not be in a position to absorb the extra numbers at this juncture?

Philip Davies: I understand my hon. Friend’s point, but he is looking at it from a perspective different from mine. My view is that we should not manage the prison population to fit an arbitrary figure that we have decided is the limit that we will allow in prison; we should imprison the people who should be in prison, and it is the Government’s job to build the capacity in the prison system to cope with those people. That is the bit on which the Government need to get a grip.

I was going to come to this later but, as we are on the subject, I will deal with it now. One area on which I happen to disagree with the Chairman of the Select Committee, although it pains me to do so, is the size of the prison population. We have to address the myth that has been perpetuated that the UK has a very high prison population. The fact of the matter is that we do not, and I will explain why. Yes, the absolute number of more than 80,000 represents a high prison population, but the UK is a very highly populated country so of course we have a high prison population. That is a meaningless measure.

If we look at the number of people in our prisons as a proportion of the population as a whole, we are not at the top of the table by any means, but I concede that we are above average. We are in the highest quartile but, again, it is a meaningless measure. The only meaningful measure of prison population is the proportion of criminals that we send to prison. In other words, for every 1,000 offences committed in the UK how many people go to prison? That is the most meaningful measure of whether we send a lot of people, or not many people, to prison. Comparing those figures with the figures for other countries across the world shows that we have a very low prison population. For every 1,000 crimes committed in the UK, we send some 18 people to prison. I challenge anyone to name four or five countries that send fewer people to prison, because they will be hard pressed to do so.

Our prison population is very low, so we have to end the myth that has been built up by these prison reform groups, which frankly just do not like anybody being sent to prison. We have to address the myth that has built up over the years that we have a high prison population. We send very few people to prison. Everyone knows that it is difficult to be sent to prison in the UK. People get community sentence after community sentence—the only people sent to prison are either very persistent offenders or very serious offenders. Courts bend over backwards not to send people to prison. We have to nail that myth.

Contrary to what my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) said in his opening remarks, I do not think that public opinion is that we should have fewer people in prison. I do not think public opinion has moved an awfully long way. Clearly, my hon. Friend is much more expert than I about public opinion in Bromley and Chislehurst, and I bow to his superior knowledge, but I invite him to come up to Shipley. He can knock on the door of any 100 houses he wants to ask people, “Do you want to see more criminals or fewer criminals in prison?” I suspect that a number in the high 90s would say that they would like to see more criminals in prison, not fewer. I accept that Bromley and Chislehurst may differ, but I am here to represent Shipley.

Robert Neill: I respect my hon. Friend’s point, but I want to put my point to him in a different way. I suspect that both his constituents and mine would like to see fewer victims of crime and fewer crimes being committed,
so they also might like to see people in prison being more effectively rehabilitated so that they reoffended less. Does he accept that overcrowding in our prisons prevents rehabilitation? Reducing such overcrowding would be in his constituents’ interest.

**Philip Davies:** I agree with one part of what my hon. Friend says, which is that we should be doing our best to rehabilitate people while they are in prison. I do not see how anyone could possibly disagree with that. What I do not accept is that we should have fewer people in prison. I want more people in prison.

The Minister and I were discussing this not too long ago, and we observed that the UK prison population has increased quite substantially over the past 20 or 30 years. Lo and behold, what has also happened in the UK over the past 20 or 30 years is that the crime rate has gone down. Members here might want to try to pretend that those two things are alien to each other, but I contend that one follows from the other.

To be honest, it is not rocket science. It is blindingly obvious, certainly to most of my constituents, that the more criminals there are in prison, the fewer criminals there are out on the streets committing crimes. It is obvious that the more criminals we lock up, the less crime we will have. I accept that we want people to be rehabilitated while they are in prison, but I do not accept that the answer is to send fewer people to prison in the first place. In my opinion, it is too hard to be sent to prison and most people are not sent to prison for long enough.

The idea that short sentences do not work is another myth. The reoffending rate for people on short sentences is 60-odd per cent. Virtually every single person in prison on a short sentence has had community sentence after community sentence. The reoffending rate for that cohort while they were on a community sentence was 100%, which is why they ended up in prison in the first place, so a 60-odd per cent. reoffending rate for the cohort on short sentences is actually a rather good record compared with the alternative. We do our prisons a disservice. The longer people spend in prison, the less likely they are to reoffend. That point is made clear by all the Government statistics.

Prison safety is also undermined by fixed-term recall, which is little known. We have a system in the UK whereby people are released halfway through their sentence. If a prisoner reoffends, most people would expect them to go to prison to serve the remainder of their original sentence, but I am afraid not. The last Labour Government did for that, too. They introduced fixed-term recall, whereby people are sent back to prison not to serve the remainder of their sentence but to serve 28 days. Again, people have no incentive to behave themselves when they go back because they know they will be out in 28 days, come what may—that is the whole principle of fixed-term recall.

There is no incentive in our sanctions for these people to behave themselves when they go back into prison, and there are lots of them—I think there were some 7,000 people on fixed-term recall last year. In fact, many of them make a point of going back into prison just to see how their illicit operations have been doing while they have been out. They know that they will get only 28 days if they commit another offence, which gives them enough time to see what is going on before they are back out again. The whole thing is an absolute scandal. These are the things that the Minister needs to get a grip on if he is to do anything about prison safety.

Drugs are clearly a massive issue in our prisons, and the number of people who take drugs for the first time in prison astounds me. It cannot be beyond the wit of the Government to address drugs in prisons. They have to be much more robust on that, too.

Members will know that I have an interest in the comparative treatment of men and women in prisons. More women than men, per 100 of the prison population, have been punished for disciplinary offences while in prison. There were 130 adjudications per 100 women prisoners, compared with 106 adjudications per 100 men prisoners, according to the Ministry of Justice’s publication “Statistics on Women and the Criminal Justice System 2011”. We have a massive problem with violence by women offenders in our prisons. This is not a men-only problem.

The other thing that I wanted to mention is radicalisation in our prisons, which is a massive cause for concern. I put in a freedom of information request to the Ministry of Justice a year ago asking which prisons had reported instances of or concerns about religious radicalisation in the last year. The MOJ’s reply did not tell me which prisons had had such reports; it told me which prisons had not, because there were so few of them. When I totted them up, there were only seven prisons in the whole UK that had not reported instances of or concerns about radicalisation. If we are to do something about prison safety, tackling radicalisation in our prisons must be a top priority for the Government. It is a massive area of concern. We cannot let political correctness be an excuse for inaction; we must get to grips with that particular problem.

I agree with the right hon. Member for Delyn about prison officers. We clearly need more of them in our prisons. To me, that is blindingly obvious. They do a valiant job of trying to keep order in our prisons in difficult circumstances; we cannot keep cutting their numbers, as has been done in recent years, and expect there to be no consequences. We must invest in our prison officers.

In summary, I look at the issue from a different point of view from the Chairman of the Committee, my hon. Friend the Member for Bromley and Chislehurst. He said that he did not think the public wanted more public spending on prisons. I disagree; I think that our constituents do want it. They want less public spending on things like international aid and more spending on locking up criminals in our prisons. I genuinely think that that is the public mood. They do not think that too many people are being sent to prison; they think that it is too easy for people to get out of prison, or not to be sent there in the first place. We should be wary of getting out of touch with public opinion on this issue.

There are many areas that the Minister can attend to in order to improve prison safety while also improving public confidence in the criminal justice system. He must not be seen to be the bleeding-heart liberals whose basic agenda is that they want fewer and fewer people in prison because they do not believe in sending people there. He must be robust and stick up for public
opinion a bit more, ensuring that criminals are in prison and that they serve the sentences handed down by the courts, preferably in full.

The Minister certainly should not allow them to be released halfway through their sentences when they are still a danger to the public and have behaved badly in our prisons. That is not fair to the public, and it is not fair to the prison officers who have to deal with such people and see them released halfway through their sentences, much to their disgust. I welcome the Minister to his position, and I trust he will tackle some of those issues and not be seduced by the bleeding-heart liberals.

2.32 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to see you in the Chair this afternoon, Mr Stringer. Although it is tempting to enter into debate on the alternative worldviews of crime and punishment in Shipley and Bromley, I think I will return to the report and the subject of the debate.

I thank the Chair of the Justice Committee and its other members for the report, and I thank him for his remarks today. I also thank the Minister for already having made a clear statement that prison reform remains a priority for the Government. I hope that we may hear—I think we are all waiting to hear—a bit more in his response, and that there will be some flesh on those bones.

I think that every Member who has taken part in this debate knows how serious the matter is. We are probably all familiar with the statistics quoted by my right hon. Friend the Member for Delyn (Mr Hanson), so although I have them in front of me, I will not repeat them. We are also well aware of comments like the one that he quoted from the current chief inspector of prisons, Peter Clarke, who said in his very first annual report that prisons had become unacceptably violent and dangerous places, and that it was a grim situation that had become even worse during the short time that he had been in charge. We are also aware, as the Chairman of the Justice Committee said, of the candour of the previous Secretary of State, who was always prepared to admit that safety conditions in prisons were terrible and getting worse. Most of all, I suspect that those of us who visit prisons regularly or have prisons in our constituencies are aware of that from those experiences and from talking to prison officers and governors.

I have asked three urgent questions on the matter this year, as well as a whole book of written questions. We also had a major debate about it. Members from all parties are now paying it a lot of attention, which is a good thing. The former Secretary of State, although he was in the job for only a year, was well informed on the issue, took it seriously and appeared committed to resolving it. He proposed a number of initiatives, including taking old prisons out of use and building new ones. He talked about governor-led prisons and prison reform in general, and he engaged with many leading prison reform groups, including the Prison Reform Trust, the Howard League and the Koestler Trust, which exhibits fantastic prisoner art and is based just outside Wormwood Scrubs in my constituency. He was a breath of fresh air compared with his predecessor in the job, the right hon. Member for Epsom and Ewell (Chris Grayling). The caveat to that praise is that we did not see a lot of action in that period. We saw a lot of general statements and specific ideas, but not a great deal of action. However, I like to think that we would have done if he had continued in post.

I fear—I hope that the Minister will reassure us on this—that we have not yet seen the same level of knowledge or commitment from the current Secretary of State. I have read the proceedings of her interview before the Justice Committee and have been present for some of her performance in the House so far, and I, personally, do not feel that she has quite grasped the seriousness of the issue yet, or exhibited the same zeal for reform as her predecessor. The Government response to the Select Committee report might be an indication of that. I think that the Chairman of the Committee said that there were “a number of pages” in the response; that number is two and a bit. I have written my notes for this debate on the back of those pages, and I think that I have doubled the length in doing so. We need to know a bit more from the Government. I am sure that we will not get everything from the Minister today, but I hope that we will get some of it.

I have two specific matters to raise. One is the issue of where the Government intend to go on this issue. What specifically can the Minister say about legislation and policy, and about the continuation and implementation of the policy that has already been introduced? The other is the detail of the issue. The immediate former prisons Minister, the hon. Member for South West Bedfordshire (Andrew Selous), is here. He was a master of detail, and when he came to the House to answer questions, he was always well informed about the particular circumstances of individual prisons. I think the current Minister will learn that that is important in his job. It matters what happens in every one of our individual prisons.

I say that as someone who has in his constituency perhaps the most iconic prison in the country, certainly visually—Wormwood Scrubs. Unfortunately, during the 30 years or so for which I have been involved with it, it has shown some of the worst aspects of the prison system. Of particular concern are some of the disastrous recent reports. It has a new governor, who I know is trying to improve matters, and some incredibly dedicated staff. Despite the cull of prison officers, it still has some long-term staff, who are doing a very good job. However, just this week, the chairman of the Prison Officers Association at Wormwood Scrubs wrote to me about violence against staff, saying that there are an average of 15 staff assaults each month, three to four of which are serious. At that rate, each officer at Wormwood Scrubs is likely to be assaulted at least once a year.

My hon. Friend the Member for Ealing Central and Acton (Dr Huq) referred to what I think she described as a walk-out. More properly, what happened on 6 May this year was that prison officers would not enter the prison on health and safety grounds. An arbitrated meeting was held outside the prison gates, and they went back to work. I think that they behaved responsibly on that occasion. Two days later, indicating the depth of their concern—it was the occasion for one of my urgent questions—two prison officers were hospitalised in a serious assault. In the last two weeks there has been another serious assault, in which three prison officers were hospitalised—as I said, it is a very common occurrence.
At the moment, Wormwood Scrubs has slightly better staffing ratios than other prisons, but I am afraid that in October we are about to see a reduction of 14 deployable prison officers a day, with staffing levels being reduced in some key areas by 20% to 30%. I ask the Minister to look at that. It is not going to help the situation in a volatile prison that is recovering from some very serious circumstances.

Wormwood Scrubs continues to lack provision for things that I would think basic, such as searches of the grounds to find contraband goods thrown over the wall or full searches, with prison lockdowns, when there are serious assaults involving weapons. Those are the basic but detailed things that the Prison Service has to get right if we are to get the epidemic of violence under control.

A recent BBC documentary about Wandsworth prison showed, pretty shockingly, prisoners openly smoking cannabis because there were so few prison officers available to do anything about it. That is not happening at Wormwood Scrubs at the moment, because prison officer numbers are slightly better than elsewhere, but if we continue to make cuts, it is inevitable that the prison officers will lose control of the prison. That would be an absolute disaster.

All hon. Members agree that we are seeing a downward spiral: with fewer and fewer officers—my right hon. Friend the Member for Delyn set out the numbers—prisoners are locked up for longer periods and levels of stress and violence increase. There is little or no association, education or work—all things that the first Secretary of State in the coalition Government told us would be priorities in rehabilitation. No doubt that goes for the current Government too.

Something has to be done to relieve the situation. The shortage of staff is not the only issue, though it is probably the most crucial. I do not want to take up too much time, but I will mention some others. We should be concerned about the high turnover of prison officers—experienced officers have left and rather more junior officers, who may not be able to cope in the same way, have come in—and about the mismanagement of some prisons, young offenders institutions and secure training centres. We saw the incidents at Medway last year and the withdrawal, which I was pleased to see, of G4S from the secure training centre contract.

The Minister may wish to say something about how we ensure good governance in prisons, and how prison governance that is not working is dealt with at an early stage, particularly in cases of violence and unsuitable behaviour by officers against prisoners, especially young people. That must remain a priority for the Government.

2.43 pm

Victoria Prentis (Banbury) (Con): I apologise that—with your permission, Mr Stringer—I have to leave before the end of the debate so I will not be here to hear the closing speeches. Members of the Justice Committee, and indeed anybody who has met me for longer than 10 minutes, will know that very few things could drag me away from a debate on prison safety, but I am afraid a meeting about the Boundary Commission and boundaries is one of them. I thank hon. Members for their indulgence on that score.

Serving on the Justice Committee is an enormous privilege and most of the time it is a pleasure. However, as is clear from the passion of Members’ contributions today, it is not always a pleasure, because we have heard some very disturbing facts and figures about safety in our prisons. I am not a stranger to the Prison Service, having conducted litigation on its behalf for many years—it is nice to see some former clients in the Box today. I know that the Prison Service is staffed by many dedicated individuals, who work hard to ensure that people in their custody are safe, and to rehabilitate them. I also know that the spotlight has never shone so brightly on what is happening inside our prisons.

Although our predecessor Committee felt that the Government and the National Offender Management Service had underplayed the seriousness of the situation, our Committee does not now feel that is the case. This year, the former Prime Minister and former Member of Parliament for Witney gave strong leadership in his speech on prisons. Both the former Secretary of State, my right hon. Friend the Member for Surrey Heath (Michael Gove), and the former prisons Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous), were aware of and open about the appalling state of prison safety.

The reform programme is bold and motivated by all the right reasons. In our report we praise the considerable efforts made by the Ministry of Justice and NOMS to alleviate the situation, but political will is very far from being enough. The previous Secretary of State’s response to our review was characteristically robust; he acknowledged the extent of the problem and found an extra £10 million to deal with aspects of it.

It has to be said that, in its short time in post, the new prisons team has made it clear that it is fully live to the issues. In its response to our report, it says that prison safety is the Department’s top priority. The new Secretary of State told us last week that the position was unacceptable, and the Department has confirmed that legislation will be put in place to continue the reforms set out by her predecessor.

So with all this light, why is the situation getting worse? In my view, my hon. Friend the Member for Cheltenham (Alex Chalk) was right: the ratio of staff to prisoners is critical. I also agree with the hon. Member for Hammersmith (Andy Slaughter)—despite the boundary changes, I will not call him the hon. Member for Wormwood Scrubs.

This is not a time for a debate with my hon. Friend the Member for Shipley (Philip Davies) about whether the size of the custodial population matters, but it is clear that unless we are going to pour new resources into our Prison Service, we have to reduce numbers if rehabilitation is to be effective. I do not say that through a wish to be soft on criminals; rather the opposite. It is in all our interests for those in prison to be changed to in all our interests for those in prison to be changed to in all our interests for those in prison to be changed to in all our interests for those in prison to be changed to help them offended again. If the upshot of that is that tough diversionary sentences have to be used as an alternative to prison, effort should be put into piloting them. Restorative justice, as the Committee said in a previous report, may well have an important part to play.

Alex Chalk: Does my hon. Friend agree that one of our problems as a society is that we have not quite solved the problem of how to generate a community
penalty that is sufficiently robust that gives members of the public genuine confidence that it is a proper punishment? As soon as they feel that community penalties are a proper punishment, will they have the public genuine confidence that it is a proper punishment?

Victoria Prentis: My hon. Friend is right. He will remember that, on our excellent Justice Committee trip to some restorative justice schemes in the United States, we saw some really good new alternatives to prison that we are extremely keen to see taken up and piloted here. They may well be part of the solution, but public opinion will have to be brought along with us. If results can be shown to be good, I am confident that public opinion will come along too—even in Shipley.

I do not see how it is possible to run safe prisons, let alone rehabilitative prisons, with insufficient staff. Prison officers have only limited time to give to supervision and to building up the relationships that we know help people to change. It is often difficult to find sufficient staff to move prisoners to the classrooms for desperately needed education. We have heard examples of wings where only one officer is now on duty when there were previously two. A body-worn camera, while welcome, is not the same as two sets of eyes. There is concern that lack of patrolling perimeter fencing is making it too easy to smuggle contraband.

We applaud the Department’s efforts to recruit more staff, but experienced officers take years of training and greater efforts must be made to retain them. The former prisons Minister, the right hon. Member for Delyn (Mr Hanson), has covered that issue fully; I emphasise his point that it is the net gain in numbers that should always be considered when looking at staffing levels.

The second reason, in my view, for the continued decline in safety is the exponential increase in the use of new psychoactive substances. The prisons and probation ombudsman says that 61% of prisoners use them regularly—cannabinoids and they are very extraordinary damage to our prisoners. We have heard examples of wings where only one officer is now on duty when there were previously two. A body-worn camera, while welcome, is not the same as two sets of eyes. There is concern that lack of patrolling perimeter fencing is making it too easy to smuggle contraband.

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During an excellent session at Reform earlier this summer, a prison officer told us about an inmate who had been found unconscious in his cell. Four officers went inside to assist him and all four of them needed hospital treatment for secondary inhalation. These drugs are not cannabis as some Members of the House may have known it; they are cannabinoids and they are very dangerous mind-altering substances, which are doing extraordinary damage to our prisoners.

The Government have criminalised possession of these substances, but a great deal of resource needs to be put into testing these drugs and searching for them if we are ever to hold back the tide of them. Blocking mobile phone signals, which we now have the ability and the powers to do, is surely a good step to consider, while we fight the organised providers of these drugs. I hope that the body scanner being trialled in Wandsworth works and that this device can be rolled out very speedily to other establishments. The Committee looks forward to hearing further details about it.

As others have already said, it is now for the new team of Ministers to put the flesh on the bones of the reform programme. I am grateful for the faster that we have had of that programme in the Government’s response to our report. In my view, prison reform is not a place for dogma, and there is considerable consensus across the House and on our Committee about what needs to be done. Forgive me for saying so, but we have a captive audience and it should be possible to pilot the best schemes, and assess quickly the extent to which new ideas work. Historically, a shameful lack of data have been produced by the Ministry of Justice, but slowly that issue is being addressed. Nevertheless, the new ministerial team needs to be very vigilant about it.

To add to the list of those reforms currently under way, which are set out in the Government’s response, I would also suggest focusing on improvements to assessment on entry to prison, and asking new prisoners about previous head injuries and traumatic experiences surrounding bereavement, all of which are proven, as we know, to indicate a greater propensity to self-harm. Those prisoners who are recalled should be properly assessed, however many times they have been inside prison before, as we know that they are particularly vulnerable.

Busy prisoners are safer prisoners, and real resource must go into both education and employment. Almost half of prisoners lose touch with their families, yet it has been shown that those prisoners who maintain family relationships through visits demonstrate a 39% reduction in reoffending. Better visits, Skype and in-cell telephones should be seen not as “nice to have” luxuries for lily-livered liberals or prisoners but as a useful tool in the fight against future crime.

Of course, all these ideas need testing and evaluation, and the Daily Mail and Shipley will not like them all. I accept that it is difficult to push through major reforms at the same time as managing a dangerous and—quite frankly—unstable situation, but unfortunately the Department does not have time on its side.

2.52 pm

John Howell (Henley) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer.

At this stage in the proceedings, there is perhaps little that one can say that has not already been said, particularly by my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), the Chairman of the Justice Committee. However, I will add my comments to the excellent work that my hon. Friend does in that capacity.

I was also a member of the previous Justice Committee and I say that for a number of reasons. It is not simply because Ministers come and go, whereas we members of the Justice Committee continue examining these issues, which we inherited and which we return to, time and again. I also say it because in the report that we produced at the end of the last Parliament—“Prisons: planning and policies”—we examined safety issues. Indeed, I disagree with my hon. Friend the Member for Banbury (Victoria Prentis), as I think the Government and the National Offender Management Service completely underplayed the deterioration of safety in the prison system.

However, that situation was partially improved—indeed, it became a much better situation—by the previous Secretary of State, my right hon. Friend the Member for Surrey Heath (Michael Gove), who focused on the issue of safety and admitted that our prisons were in a serious crisis. All the speakers today have acknowledged that. Also, a common theme has emerged throughout this debate and it is about the Government response to our report. I will come to that shortly.
[John Howell]

Other speakers have already asked whether we have a higher or different prisoner population, compared with the low staffing numbers that we have in prison. Nevertheless, the point that we made in one of the Justice Committee reports—namely, that those factors had been there all along—means that they are not the answer to the problem and none of them is the overriding factor that determines that the situation is as bad as it is. We have to consider other reasons why the situation is so bad.

If we consider what action has been taken so far, we see that it has principally been around legislative change, without much emphasis on implementation of legislation. It is very easy for us as legislators to introduce legislative change and then just believe that the job has been done, whereas the real job comes in ensuring that any new legislation is implemented.

One issue that the right hon. Member for Delyn (Mr Hanson) raised—fortunately, he did not amplify it, because that means that I can amplify it now—was mental health needs, which fully illustrates this point. It is not operational action that is required to deal with mental health needs, particularly the prevention of suicide; the needs in question go beyond the drugs that are available to treat them, whether those are traditional drugs or new psychoactive drugs. Indeed, the prisons and probation ombudsman, Nigel Newcomen, has said:

“It remains the case that I am frequently obliged to repeat recommendations and lessons and it can be depressing how little traction we appear to have on occasions”.

That statement applies not only to the issue of mental health but to the whole of prison safety. As a Committee, we ourselves have frequently issued “recommendations and lessons”, but there is “little traction” to them and they are rarely taken up. Nevertheless, the mental health needs of the prison population must be taken very seriously. The big area of untapped resource, if you like, is being able to deal with those needs.

Since we are also considering the issue of self-inflicted deaths, I will comment on the Government reaction to the Harris review, which I also found to be a disappointment—indeed, Lord Harris himself found it to be a disappointment. It is a disappointment because the Government have not sought to take into account a number of the recommendations that Lord Harris made and so the issues involved have not been addressed. At a recent session that our Committee had with the Secretary of State for Justice, I asked her whether she was aware of Lord Harris’s report or had talked to him. She was aware of the report; I do not think that she had talked to him at that point, but she needs to do so.

[Valerie Vaz in the Chair]

Let me re-echo the point that others have made by saying that I found the Government response to our report flimsy; it was no more than a holding reply. There was a lot of talk about monitoring and some operational improvements; there was the use of what I would call the bogus figure of a net increase of 300 officers, which disguised the reduction in officers; and there was also the hint that we were building five new prisons. I ask the Minister who is here today to comment on those five new prisons and the progress being made on them, to say when we are likely to see them come into operation and to explain how they will improve prison safety.

Philip Davies: It is a pleasure to see you in the Chair, Ms Vaz.

I agree with my hon. Friend that the Government response to the Committee’s report was thin and “flimsy”; it would be impossible for anyone to disagree with that assessment, really. However, is he being slightly harsh on our ministerial colleagues, given that the Minister who is here today and the Secretary of State have only just taken up their new positions? Perhaps we should give them some opportunity at least to examine these matters themselves before they rush to a conclusion on the Committee’s report. Perhaps we should just give them a bit of time to get their feet under the table and give these issues serious consideration themselves.

John Howell: I thank my hon. Friend for those comments, but I take a different view. We are still the same Conservative Government who were elected to deal with these issues. Whether it is a new Secretary of State or an old one, the issues are the same. A list of actions was put in place to deal with the issues. I cannot understand why a series of new Ministers want to take the time to throw all those things up in the air and start again. That is precisely what I meant by saying that the Committee has the longevity with these issues to see their continuity on the ground. I do not think I am being too harsh. I bear no grudge against the Minister; I appreciate that he is new to his job, but there are some things that should be continued, and we should be able to pick them up.

One thing that I stress is the changes proposed to the role of prison governor, since those could be introduced pretty quickly. There is a lot in the Government response about empowering prison governors. Can the Minister provide more information on that? I do not mean the detail of how we will empower prison governors or the detail of exactly what powers will be transferred. We should be looking for broader areas of principle to be set out and discussed with the Committee, to show where those are going to go, because governors feel completely left out.

As a Committee, we have come across that issue quite a lot in our visits to various prisons. They see themselves as bit managers of a whole range of different resources that are brought in to their prisons. That situation does not help them get control of their prisons or prison safety. I would like some information about how the role of prison governors will be defined and circumscribed. It will need to be circumscribed, but in the definition we will get the detail of what the Government want for that. What will the nature of the measures be to hold prison governors to account? That is the other side of the question. I do not yet want the specifics of how that will work, but in what areas will that work and how will it continue?

Finally, I want to comment on the action plan. We need considerably more flesh on the bones. That expression has been used by many speakers in this debate. I repeat what I said in an intervention: when we had a meeting with the Secretary of State, I asked how she would take forward the previous Secretary of State’s plans. Her response caused the press to argue that we were going back on our commitment.
I fully accept what my hon. Friend the Member for Bromley and Chislehurst has said about the role of the prison, but there is an issue here, and there was no need to put the whole thing into reverse and suggest that we were going backwards on this matter. As the Minister said, dealing with this issue remains a high priority for Government. I am happy to wait to see the detail of the action plan and how it will control safety, but I would like some more information about whether it will move beyond the legislative and the obvious to empower prison officers to take action and get to grips with a major problem in our prisons.

3.4 pm

Andrew Selous (South West Bedfordshire) (Con): It is a pleasure to speak in this debate, Ms Vaz. I assure my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), said at the start of this debate about the duty of care that we all owe to prison officers and prisoners. One of the most upsetting parts of my job as prisons Minister was to read the daily operational reports and see that prison officers had sustained broken jaws, broken noses and black eyes in the course of their duty.

Yet again, I put on record the fact that our prison officers are some of the finest public servants in our country. When we talk of public servants, we often mention teachers, doctors, nurses and police officers—rightly so, as they do outstanding work, too—but we need to remember that even though prison officers are behind those tall walls, they are on the frontline of duty in keeping us all safe. We have a duty to keep prisoners safe, too.

I will concentrate on what the Government said in response to the Select Committee. They mentioned a number of specific actions that they are taking to deal with violence. We have had brief mention today of body-worn cameras. I went around HMP Glen Parva to see their use there, and I was told by prisoners and prison officers that they felt that the cameras were reassuring and helpful. I understand that the advice is that body-worn cameras are even more effective if the five-minute intervention—the measure by which every interaction between a prison officer and a prisoner is meant to be rehabilitative and positive—has been rolled out. I know that work is being done on the violence diagnostic tool to understand in detail the different areas of prisons where violence is happening, and the times of the day. There is increased staff training to equip staff better to deal with those issues.

I was pleased to see mention in the Government’s response of the important work that the Crown Prosecution Service and the police need to do to protect our brave prison officers. I was upset to hear from prison officers in some prisons that on occasion they have gone down to the front counter of the local police station to report assaults, because it was bureaucratic to do so within the prison.

Just occasionally, the view has grown up within police forces that, “Prisons have prison officers, and we are out there to protect the public and the open community.” That is not the case. Police officers have a duty to ensure that order runs within and without the prison wall. Prison officers and prisoners need the police and the Crown Prosecution Service to take that duty seriously. In my experience as prisons Minister, the relationship between police and local prisons was variable. If there was a good relationship between the borough commander and the prison governor, things were good. Sometimes, that relationship was not as good as it should have been.

The Government rightly talk about the importance of getting the early days in custody, the critical first month, right for prisoners. We know the preponderance of self-inflicted deaths—suicides—within the first month. It is important that we help people, particularly those who are in prison for the first time, to cope with the overwhelmingly strange and traumatic experience of going to prison for the first time. Those are all positive things that the Government have mentioned.

One thing that the Government could do on recruitment is to try to speed up the process from the moment someone expresses an interest in joining the Prison Service. If people have to wait too long—as of course, proper checks need to be done—their enthusiasm may wane. They need to put bread on the table to feed their families, so they may go to do something else. We need a speedy process that captures people’s enthusiasm to do an outstanding job of public service. We need to ensure that prison officers can get real job satisfaction from doing rehabilitation properly.

On Monday morning, my hon. Friend the Member for Banbury (Victoria Prentis) and I had the pleasure of meeting a former prison officer from HMP Northumberland. He was talking with enormous pride of how, when he walks around Newcastle, people come up to him and say, “You helped me 20 years ago in prison. I now have a job. I am paying a mortgage. I know I was a difficult prisoner, but you showed me the right way.” That is why prison officers join. It is an outstandingly important job in which they can make a difference. But new prison officers get frustrated. If they come in and are not able to do the rehabilitative work, they leave to do other things. Empowering prison officers to do the job that they joined to do to the best of their ability is really important.

Robert Neill: I am grateful to my hon. Friend for making such an important point, which is reflected in a concerning statistic. One of the growth areas we have seen in retention issues has been the number of people leaving the service through resignation as opposed to other reasons—it is up from about 37% to 39%. He may know better than I, but perhaps that relates to people coming in and getting frustrated because they are not able to do the job they want to do, and so not being retained in the way we would wish.

Andrew Selous: My hon. Friend makes a fair point. We have improved prison officer training. It is now a 10-week course. It is an increasingly good course and, quite rightly, within that training there is a lot of focus on rehabilitation. The ability to turn lives around and prevent people becoming victims by changing lives is the purpose of the Ministry of Justice. If people cannot do that job, it will lead to frustration, which may lead them to resign and take up other work.
Mobile phones that get into prisons illegally are a cause of violence that makes prisons less safe. They are used to help get drugs into prisons. It is not just inhaling psychoactive substances that is a problem but the extreme violent behaviour caused by such substances, which give an adrenalin rush that enables prisoners to fight prison officers for longer. That is why such drugs are so evil. Cracking down on phones, which the Government are starting to do by working with mobile network operators, is really important.

I was pleased to see that one of the good things in the Government’s response was the recognition on page 3 that phones should be used for legitimate family contact. Phones can be provided in the prison, or perhaps in time there could be a type of in-cell telephony that can be listened into in a legitimate manner using the PIN phone system to enable prisoners to contact their families. Prisoner voicemail could help with that. That is all part of creating a safer environment for prisoners and prison officers.

I have talked about the terrible evil of drugs and the extra violence caused by them. The Department is engaged in developing world-leading technology to detect drugs. We should not underestimate how difficult that is. I was glad to see mention in the Government response of the body scanner at Wandsworth. I am keen to know how the scanner has been assessed. It has been there since just before May 2015, so more than a year and a quarter. I understand that similar scanners are in widespread use in the United States of America. I hope that we will shortly have a full evaluation so that we can decide whether they are value for money, whether we roll them out and whether they are effective in dealing with the terrible scourge of drugs that leads to violence in prisons.

I am pleased to see the commitment to building new prisons. In time I am sure we will be told where they will be built. Equally importantly, new prisons will enable us to close prisons that are not fit for purpose.

There were two issues that I had hoped to see more reference to in the Government’s response. The first was jobs for prisoners on release. I remember a prisoner saying to me in HMP Ford, “When I left the prison, I could mop a floor bloody well”—excuse my language, Ms Váz—“but it wasn’t going to pay the bills.” I thought that encapsulated powerfully the shift that we need to make within prison industries. Of course we want prisoners engaged in developing world-leading technology to detect drugs. We should not underestimate how difficult that is. I was interested in the five broad themes that Professor Crabbe draws attention to: prison cultures, wellbeing, human capital, social capital and knowledge, and skills and employability. The first four of those relate to the importance of helping prisoners change their mindset so that they engage with the employability agenda as well.

Governor autonomy is absolutely key. I have talked about the importance of prison officers getting job satisfaction from what they do, but giving governors their head to run their establishments is really important. To illustrate that, I went to Aylesbury prison, which is a challenging one—I think the Committee visited it—and saw that one block of that prison has an enabling environment accredited by the Royal College of Psychiatrists. The prison has a much calmer atmosphere than others. Prisoners were doing things for the prison officers. When I asked the young men in there, “What effect has this enabling environment had on the number of assaults and violent incidents here?” they said, “We can’t remember the last time there was a violent incident.” I think we need many more such enabling environments. I know it takes time to get full accreditation, but why not learn from what has happened in Aylesbury and spread it across the whole estate? That would be valuable.

I compared the Government’s response with some of the commitments made by the previous Prime Minister in his speech on 8 February, and some areas concerned me. They were in the speech on 8 February but not in the Government’s response. The final paragraph of the Government’s response, on page 3, talks about “a clear set of measures to hold prison governors to account”, but it does not mention holding governors to account on employment or on accommodation outcomes, which were mentioned in the speech on 8 February. It may be an oversight—perhaps the Minister will be able to respond to that. It is critical that we hold governors to account on both employment and accommodation, because that will drive greater engagement with the probation service and the local community, so that we do better in those two critical areas.

I completely agree with what my hon. Friend the Member for Henley (John Howell) said about mental health. We can be encouraged that my hon. Friend the Member for Bracknell (Dr Lee), a qualified doctor, has responsibility for mental health in prisons, and I look forward to his proposals. In mental health, as in education, we should not ignore the capacity of prisoners themselves to be the answer to some of the problems.
One of the dangers of prison is that it infantilises prisoners. At Justice questions, I paid tribute to the outstanding governor of Wandsworth prison, Ian Bickers, who has taken 50 prisoners who have level 3 qualifications and said, “Right, you are now educators in this prison.” He has given them a uniform and a wage. They can lose their job if they muck up, and they are going to work on education in the prison alongside the staff coming in from outside. We can do similar things to help prisoners who are getting depressed or anxious. Prisoners can very much be part of the solution to the issues that we are talking about this afternoon.

I agree with what has been said about IPP prisoners. We have to recognise that that situation is a historic anomaly that is difficult to justify. People are now under a sentence given some time ago for a crime which, if committed today, would be given a different sentence. I know that the Department is looking seriously at that issue.

Lastly, I want to pay tribute to those carrying out the important work of chaplaincy for preventing suicide and generally improving the atmosphere in prisons. The week before last I addressed a conference of Catholic prison chaplains. They made the point that they want some of the work that they do to be allowed to take place within education. That work is important in helping to change prisoners' mindset about engaging with education and employment in prison.

3.21 pm

Richard Arkless (Dumfries and Galloway) (SNP): It is a pleasure to serve under your chairmanship, Ms Vaz. I think that it is the first time I have done so, but hopefully it will not be the last. I have something of a dual role in today's proceedings, in that I am a member of the Justice Committee, but I am also the Front-Bench Member summing up for the Scottish National party. I shall take the latter of those roles first because, inevitably, such has been the detail in today's contributions, much of what I was originally going to say may have been superseded. I will go through some of those speeches before I make any points on matters that may have been missing from the debate.

Ms Vaz, you were not in the Chair when the debate was kicked off by the hon. Member for Bromley and Chislehurst (Robert Neill), the Chair of the Justice Committee. He captured the mood of the Committee and the report succinctly when he said that it was time to be blunt. The situation is “terrible”—to use the word chosen not by him but by the former Secretary of State for Justice, the right hon. Member for Surrey Heath (Michael Gove). The hon. Member for Bromley and Chislehurst also touched on the fact that, to put it even more bluntly, things are at crisis stage. The report clearly indicates that and the Chair has clearly said it. I only hope that the message sinks in with the Government.

The right hon. Member for Delyn (Mr Hanson) gave an extremely eloquent address and provided a useful snapshot of evidence showing how much and how rapidly the situation has deteriorated. He put forward an excellent case to demonstrate that, as most people have said, the Government's reply was thin at best. He encapsulated the frustration: on one hand the new Secretary of State says that safety in prisons and prison reform is her No. 1 priority; on the other the Government response to the report appears extremely thin, which casts doubt on her assertion about priorities.

I listened with interest, as I always do, to the speech given by the hon. Member for Shipley (Philip Davies) in his typically robust and charismatically dissenting style. I must stress that I would like to distance myself from much of what he said. I am not sure that a holiday home in Shipley is for me, given some of his comments; but of course I assume that his constituents want the best for everyone, as I do. I do not think that we solve any problems by locking people up if, otherwise, they have a chance of rehabilitation. I accept the point that 69% of people who go to prison on short sentences reoffend, but I cannot understand the logic of saying that 100% of people with community sentences go to prison. Not all of them do. Of the people on short sentences, 100% had had community sentences; but that does not mean that 100% of those who served community sentences ended up on short prison sentences. I make that distinction, but I stand to be corrected if I have picked it up incorrectly.

I of course would distance myself from the views of the hon. Member for Shipley on foreign aid and on short sentences. I ask the Minister seriously to consider the example we have set in Scotland, by reducing short sentences as much as possible and recognising that placing someone in jail for the relevant types of offences dramatically reduces their life chances thereafter, with respect to re-employment and other prospects. Those things might be open to them if they had not been incarcerated, but once they have it seems difficult to pedal back. However, I dissent with respect, as always. I was both extremely perturbed and pleased, in the same breath, to have an email from the hon. Member for Shipley yesterday evening saying “I agree with Richard on all counts.” I thank him for his constructive approach.

The hon. Member for Hammersmith (Andy Slaughter), who is not on the Justice Committee, nevertheless has, I understand, a keen interest in the matters in question, on account of the prison in his constituency. I was interested to hear him make a point that we had not focused on in particular detail—the importance of good governance. The hon. Gentleman was right to raise that. It is an important part of the picture.

The hon. Member for Banbury (Victoria Prentis), who has left the Chamber for more pressing constituency boundary issues, was right to say that the spotlight has never shone so brightly on the prison estate as it does now. She has a wealth of experience in dealing with stakeholders from the prison estate, and when she says something in such clear words, people should prick up their ears and listen. She made a poignant point: to say that reducing prison numbers is being soft on criminals gets things upside down. It shows the opposite. If we could manage the prison population and turn prisons into rehabilitative centres we would be giving more protection to wider society; because we would reduce the prospect of criminals leaving prison and reoffending. That is very important.

The hon. Member for Henley (John Howell) gave us an excellent perspective on the continuation of themes from one Justice Committee to the next. I was not fortunate enough to be a member of the previous Committee, and I gained perspective from hearing that the current issues are not arising for the first time. There has been continuity of concern and it is excellent that we had the hon. Gentleman's experience in the debate.
The former Minister, the hon. Member for South West Bedfordshire (Andrew Selous), was right to express, as most of us, embarrassingly, failed to do, his appreciation for the public service given by prison officers. I completely agree. I said that he was sad when he spoke to them, and I completely concur. We visited HMP Wandsworth a number of months ago, and when I saw the ashen-faced appearance of the prison officers, I was sad—very sad. They want to do a good job, rehabilitate prisoners and do good in society, but they simply do not have the resource support. The reason why people are being locked up for 22 and 23 hours is that there are not the staff to provide support so that they can be let out to do purposeful activity. Unless we break that vicious cycle, as the Committee Chair discussed, we will, in the colloquial phrase, be banging our heads on a brick wall.

To turn to the remarks that I had planned, I wanted to give a statistical analysis of the situation. I know that the hon. Member for Bromley and Chislehurst said that statistics do not necessarily add anything to the overview; and the right hon. Member for Delyn was very succinct in giving a snapshot of the statistics. However, I beg to differ; I think they are important, because they are the evidence that demonstrates the extent of the problem, which needs to be stated clearly. I will deal with three categories. For deaths in custody, in the 12 months to March 2015 there were 79 self-inflicted deaths in custody. In the 12 months to June 2016 there were 105. In a two-year period there was a jump from 79 to 105; that is no spike. It is a systemic failing.

For assaults, in the 12 months to December 2014 there were a grand total of just over 16,000 assaults in the prison estate. Just over 2,000 were serious. Jumping forward less than two years, in the 12 months to March 2016 the number was up from 16,000 to more than 22,000 assaults in the prison estate, of which 3,000 were serious. Again, I submit that that is not a spike but that it indicates a systemic failing.

In the third category, self-harm, there were 25,000 incidents in the 12 months to December 2014. In the 12 months to March 2016, there were almost 35,000 incidents. Again, that is not indicative of a spike, but it is evidence of a systematic failing, and it is not only the Justice Committee that says so. I am very new to the Justice Committee and Committee procedure, but I am a lawyer and I have listened to evidence in court cases of who is right and who is wrong. Never have I been involved in a process where the evidence is so catastrophically one-sided. In my view—I stand to be corrected—we did not hear any evidence of the positive outcomes of what the prison estate achieves for our criminals and for wider society. It was an avalanche; everybody seems to agree. After the report was published, Her Majesty’s inspectorate of prisons’ annual report stated in its main conclusions that, as I have just demonstrated,

“There were continuing high and rising levels of self-inflicted deaths...Violence had once again increased in almost every men’s prison reported on. Support for the victims of bullying and violence was generally weak, and resulted in long periods of isolation for many prisoners.”

As we have heard, new synthetic drugs have also become an increasing problem.

Not to put too fine a point on it, the figures are out of control. There is a proposal in the Committee report to which I would like to draw hon. Members’ attention. That is the nature and frequency of the statistics that the Committee receives, which allow us to assess the situation and react accordingly to the developing challenges. We requested quarterly statistics to give a snapshot of the outcomes and the Government proposed six-monthly statistics. As the hon. Member for Bromley and Chislehurst made clear, this is not some kind of statistical pedantry—it is to coincide information with other statistical releases, so it can be properly collated. At the moment, the statistics are bad, but they might even be worse—we do not know. If the Justice Committee could get the information in a more co-ordinated, consistent and frequent manner, it would allow us to do the work that we are here for—scrutinising the Ministry of Justice—so that it can then, in turn, make sure the problems in the prison estate are fixed. With that, I conclude my remarks and welcome the views of the shadow Front-Bench spokesperson and the Minister on this important issue.

3.32 pm

Jo Stevens (Cardiff Central) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz, and I welcome the views of the shadow Front-Bench spokesperson and the Minister on this important issue. There have been some great speeches today. The Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst, spoke of his concern that the less safe prisons are, the harder it is to achieve reform. I think we can all agree on that. He also observed that he does not detect a sense of urgency from the new Secretary of State. I agree with him on that point, and I sincerely hope that he and I are both wrong.

Philip Davies: I am sorry that the hon. Lady is not able to engage in a debate and only wants to deal with people who agree with her. Will she set out for the public’s benefit whether she therefore agrees that people should be automatically released halfway through the sentence, irrespective of whether they are still a danger to the public and of how badly they have behaved in prison? Is that Labour’s official policy?—those people should be automatically released halfway through the prison sentence by law?

Jo Stevens: People are released from prison when they no longer pose a risk to public safety and when the Parole Board considers that they are fit.

There have been some great speeches today. The Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst, spoke of his concern that the less safe prisons are, the harder it is to achieve reform. I think we can all agree on that. He also observed that he does not detect a sense of urgency from the new Secretary of State. I agree with him on that point, and I sincerely hope that he and I are both wrong.

My right hon. Friend the Member for Delyn (Mr Hanson) spoke of the staggering statistics on homicides, violence, self-harm and riots, which illustrate the serious problems in the Prison Service at the moment. I am glad that he also mentioned the unique situation, as did the former prisons Minister, the hon. Member for South West Bedfordshire (Andrew Selous), of IPP prisoners, which is a legacy that needs to be dealt with urgently.
Perhaps the best line from my right hon. Friend’s speech was that autumn leaves are falling and we are still awaiting the autumn plan.

My hon. Friend the Member for Hammersmith (Andy Slaughter) talked about the lack of zeal and knowledge that became apparent from the new Secretary of State’s appearance before the Justice Committee last week, which is of some concern. He also talked with great knowledge about his local prison Wormwood Scrubs and, most worryingly, the staffing reductions on the horizon in that already very volatile prison.

The hon. Member for Banbury (Victoria Prentis), who has now left her place, talked about the strong leadership and statements on reform from the previous Secretary of State and Prime Minister and the then ministerial team. I echo her view that we need to see that from the new ministerial team. I am sure that we will.

I enjoyed standing across the Dispatch Box from the hon. Member for South West Bedfordshire and we had many exchanges. I was pleased to hear his very knowledgeable and measured comments today, on both what is not in the response to the report and what is. I share his concern that, in terms of holding prison governors to account, accommodation outcomes and employment are missing from that response.

The state of our prisons and the growing levels of violence in them shame our nation. Today, there has been a large measure of agreement, despite party allegiances, that the current state of affairs is simply not acceptable. That is why I, along with my former Front-Bench colleagues in the shadow justice team, welcomed the former Prime Minister’s speech and the former Justice Secretary’s commitment to place prison reform at the heart of this year’s Queen’s Speech. We heard a lot about good intentions. Prison staff, prisoners and their families, stakeholders and the public had their expectations raised that finally the need for prison reform was being seen as part of a wider social reform agenda to help people change their lives for the better. It is very unfortunate that they appeared to have been let down last week by the new Justice Secretary in her evidence—but more of that later.

In his last report as chief inspector of prisons, Nick Hardwick stated that prisons were “in their worst state for 10 years.” In his short tenure, the new chief inspector, Peter Clarke, has realised that the situation has got “even worse” since then. As the Government presses ahead with cuts to the Ministry of Justice’s budget, our prisons become even more dangerous places in which to live and work. I make no bones about putting this on the record—it has been said before. On a daily basis, prison staff are being attacked, prisoner-on-prisoner assaults are increasing, time out of cells for offenders is being cut, more offenders are being forced to share cells, rehabilitation and training programmes for offenders are being cut, education provision is being reduced and services are being privatised or delivered through untested payment-by-results programmes. Prison officers have been living with the reality of working within a prison system that is creaking at the seams, due to starvation of the funds it needs to function effectively and safely. Overcrowded prisons where people spend 23 hours a day locked in cells on wings with too few staff inevitably leads to violence, suicide and self-harm. We need to take bold action to reduce the size of the prison population in order to improve safety.

I welcome the Committee’s recommendation that the Ministry and NOMS draw up together an action plan to improve prison safety, but in order for prisons to be safe, secure and the places of rehabilitation that they are supposed to be, we need to employ more prison officers. I cannot stress enough the simplicity and importance of that fact, which has been repeated by many hon. Members in the debate today. There is very little that we can do with high-quality health and education services in our prisons if we do not have enough prison officers to escort prisoners to lessons, to hospital or even—in some cases—just to get their food.

I want to make it clear that I am not criticising those currently working for the Prison Service and I would like to take the opportunity to praise hard-working prison staff across the country. They are vital to ensuring public safety and their work is often overlooked. It is an extremely complex job and the role that they play in rehabilitation is one that we must never underestimate or take for granted. They are a dedicated group of public servants and they do vital work, which is why it is so disappointing that the numbers of front-line staff have been slashed in recent years to meet the budget cuts imposed by the Treasury.

As we have heard, there are 7,000 fewer prison officers than there were in March 2010. The loss of that many uniformed staff from the Prison Service continues to undermine the safety and security of our prisons and puts staff and offenders at even greater risk. We now have the toxic combination of prisons full of inexperienced prison officers and experienced prisoners, which is a recipe for violence.

I share the Select Committee’s concern about the Government’s failed recruitment drive. Given the growing prison population and the rise in staff assaults, it is no wonder that it is a struggle to recruit into the Prison Service and that retention is so poor. We must properly protect the health, safety and wellbeing of those who work in our Prison Service. I also welcome the Select Committee’s call for quarterly progress reports, and I am waiting with interest to hear what plans the Minister has lined up to ensure better and more successful recruitment and retention of prison staff.

I have heard at first hand from countless organisations and individuals about the dangers and implications that the lack of safety in our prisons has for prison staff and prisoners. Each time I raised that issue with the former prisons Minister, the hon. Member for South West Bedfordshire, he agreed that the current safety levels are unacceptable. He said that the new Bill, which we were waiting the autumn plan, would include measures to tackle those issues.

On 6 September in Justice questions, I raised the issue with the new Justice Secretary, who said:

“I fully acknowledge that we do have issues with violence and safety in our prisons. The levels are unacceptable. I am determined to deal with this issue and I will lay out my plans very shortly.”—[Official Report, 6 September 2016; Vol. 614, c. 202.]

Yet not even 24 hours later, in her evidence session with the Select Committee, she point blank refused to guarantee that the Government would proceed with prison reform legislation to improve prison safety, much to the astonishment of the hon. Member for Bromley and Chislehurst.

The same evidence session also revealed that, despite the fact that the report was published in May, there had been no response to it. We received the response only...
[Jo Stevens]
two days ago. As my hon. Friend the Member for Hammersmith said, it is a pa
try two and a bit pages. That does not suggest that the Government really are
taking the issue of prison safety seriously. If I were a
member of the Justice Committee, I would be pretty
insulted by it.

In the same evidence session, the new Justice Secretary
said she was looking into a number of urgent issues
raised by Committee members. In fact, she said that 39
times. My question for the Minister is, is the plan for
prison reform shelved or delayed? When are we going to
see it? As far as I can see, there is no strategy for
improving a decimated, but previously award-winning,
probation service, and no idea about the benefits of our
Human Rights Act. What exactly has the Justice Secretary
been looking into during the summer recess? It certainly
does not appear to have been a proper and timely
response to the Justice Committee’s report.

The response contains no commitment to meet the
Committee’s central recommendation of produc
ing quarterly progress reports on prison safety and staffing
numbers. To add insult to injury, the Government said
that prison officer staff numbers have risen. That is
unacceptable. The numbers are clearly lower than they
were 12 months ago, as I pointed out to the Justice
Secretary during Justice questions on 6 September. We
now have 421 fewer full-time equivalent front-line prison
officers working in our public prisons than we did a
year ago.

I have some questions for the Minister, in addition to
those of my hon. Friends, which I hope he will answer.
Where is the promised programme of prison officer
recruitment, which was to deliver the real and necessary
increases to officer numbers required to provide a safe,
decent and secure regime? Where is the national strategy,
highlighted by the chief inspector of prisons, to help to
make our prisons drug-free? Where is the commitment
to the plan and the timetable for increases in prison
capacity that will see an end to the institutionalised
overcrowding of our prisons?

It has been said that we are going to have five new
prisons by 2020. I would like the name of the builders—they
are obviously very quick at their job, given that they
have not done much of it yet. I am very interested to
hear from the Minister more detail about where, when
and how that is going to happen.

Finally, time after time and at great cost to the public
purse, reports into the dangers, problems and failures
faced by the Prison Service have made many, often
repeated, recommendations for improvements, but they
have not been implemented. Will the Minister, in his
new role, change that pattern? I hope he will say yes.

Today another 15 prison officers will have been assaulted
at work. The same will happen tomorrow and the next
day and the next day. We need to take urgent action to
put a stop to that. I welcome the Justice Committee’s
report, and I urge the Justice Secretary and her Ministers
to implement its recommendations urgently. We cannot
afford further delay on this matter. Lives are being lost,
serious injuries are being sustained and livelihoods are
being ruined. This issue is too big and important to be
kicked into the long grass.

3.45 pm

The Parliamentary Under-Secretary of State for Justice
(Mr Sam Gyimah): It is a pleasure to serve under your
chairmanship, Ms Vaz. I congratulate the Chairman of
the Justice Committee, my hon. Friend the Member for
Bromley and Chislehurst (Robert Neill), on securing
this important and necessary debate.

I am grateful for the opportunity to respond to the
debate, although I am filled with slight trepidation,
given the number of lawyers in the Chamber, who clearly
know the criminal justice system inside out. We also
have two former prisons Ministers, no less. My hon.
Friend the Member for South West Bedfordshire (Andrew
Selous), whom I observed closely, showed a great deal
of passion and dedication to the job. His shoes will be
difficult for me to fill—both literally and metaphorically.

John Howell: I would like to reassure the Minister
that I am not a lawyer either, so I fully share his
concerns.

Mr Gyimah: It is encouraging to know I am not the
only minority here.

The comments made by the hon. Member for Shipley
(Philip Davies) were music to my ears—I am referring
to his comments about early release and so on, but
to his recognition that the new ministerial team is in
transition. It is worth stating up front that it is eight and
a half weeks since the new ministerial team came to
post, and in two or three months’ time we will be having
a very different debate. We are committed to coming
forward with a new plan, and I am confident that its
contents will be as strong, if not stronger, than the
Select Committee expects on the issues that have been
outlined.

I would go as far as to say that the Secretary of State
should be commended for not doing what is very easy
to do in a new job: seek a couple of headline-grabbing
announcements that are not based on evidence. The
Secretary of State is determined to look at the evidence
and come up with a plan that addresses the need for
safety in our prisons and also focuses on reform.

Jo Stevens: As all this was set out in the Queen’s
Speech many months ago, can the Minister explain why
work now needs to be done so that he can announce his
plans in two to three months’ time?

Mr Gyimah: The Queen’s Speech was seminal, as has
been mentioned, in that it made reform of prisons part
of social reform. That reform would give governors
freedom in rehabilitation but, as the statistics that have
been referred to ad nauseam show, safety and security
in our prisons is also a challenge. We need a strategy
that deals with both those aspects of the programme.
Safety and security were not mentioned in the Queen’s
Speech. My right hon. Friend the Secretary of State is
bringing forward a plan that brings those two things
together.

On the issue of reform, let me be clear that the
Secretary of State and I are absolutely committed to
reforming our prison system, as set out in the Queen’s
Speech. I am determined to ensure that our prisons are
places of safety and reform, where offenders can get off
drugs, improve their education and get the skills they
need so they are less likely to offend. Our prison system needs to be fit for today’s demands. The improved physical environment, which will be safer, will have better rehabilitative services and will empower governors to focus on delivering better outcomes within their prisons.

Today, a number of comments have been made about the urgency of the task ahead. I assure the House that we do not underestimate the severity of the challenge, and the Ministers tasked with such a huge responsibility feel its fierce urgency. As hon. Members know, we are investing £1.3 billion to reform and modernise the prison estate to make it more efficient, safer and focused on supporting prisoner rehabilitation. Given our commitment to swap old Victorian prisons for new ones, therefore, the great thing is that the money is available. When the Secretary of State comes out with her plan—I will come on to some of the detail in my speech—we will see how that is to be achieved.

We want to see prisons run by governors capable of providing outstanding leadership. It has been mentioned that many governors do not feel that they have the freedom to deal with challenges on the ground, and I want to see governors who have the freedom, ability, time and resources to manage safety and security risks, while rehabilitating offenders.

Our goal is to see frontline staff working in decent, ordered and well organised prisons that treat prisoners with humanity and ensure that those staff are able to spend time helping offenders to develop their potential. We want a system that is better able to identify the emerging factors and threats that will impact on prisons, a system that can address them proactively. This is a particularly important point. We have referred to drugs and to drones, and such threats, including mobile phones, will continue to evolve. In the plan that we will present, we want to address not only the challenges of today, but the emerging threats on the horizon.

Improving outcomes for prisoners is better for us all, as my hon. Friend the Member for Banbury (Victoria Prentis) so eloquently put it. Reducing offenders’ reoffending means fewer victims and less crime. The Secretary of State has already assured the House that we will be setting out the Government’s plans for prison safety and reform this autumn. Since becoming Justice Secretary, she has been clear that she wants to continue prison reform at pace.

Safety, too, is crucial in our prisons. The right hon. Member for Delyn (Mr Hanson), in a forensic speech, highlighted the safety statistics and how terrible they are. Safe, decent and secure prisons are a fundamental part of our reform ambitions, and I am of course acutely aware of our existing problems.

Anyone who has been prisons Minister knows that we get daily incident reports and, no matter what the time of day, we are woken up if a serious incident that Ministers need to be aware of happens. Prisons Ministers and Secretaries of State live with what is happening in our prisons day in, day out—we cannot ignore it. I am sure that hon. Members agree that the rising levels of violence against prisoners and staff, and self-harm and self-inflicted deaths, are not acceptable and require our immediate and urgent attention.

Mr Hanson: I will try, forensically, to tie the Minister down to something. In his response, he mentioned that we have had a net increase of 300 prison officers since January, on recruitment of 3,300. Given the fall of 7,000 since 2010, what is the number that he expects to recruit—net—in the next one, two and three years so as to return to some level of increased staffing?

Mr Gyimah: I thank the right hon. Gentleman for his question but he will be disappointed with my answer: I will not make a firm commitment on staffing numbers in this debate.

I will also make a general point: no one factor is driving the changes in our prisons. Staffing is one aspect of that, yes, but there are a number of safety issues across the estate, and we are still seeing the violence in prisons, with different cohorts, regimes and staffing, levels so we should be cautious not to suggest that somehow staffing is the problem. For example, dealing with the scourge of mobile phones in our prisons has a technological answer; it is not a staffing issue. To deal with the problem of violence comprehensively, we need to look at all the different issues driving it.

Even in the debate today, a number of reasons for the rise in violence have been posited. My hon. Friend the Member for Shipley talked about the tariff structure and fixed-term recalls, and some people have mentioned staffing or mental health. What that highlights is that if we are to solve the problem, we need to look fundamentally at what is going on in our prisons. We cannot underestimate the scale of the challenge, and I cannot overstate the Government’s absolute commitment to deal with it.

Alex Chalk: What does the Minister say in response to the point made by my hon. Friend the Member for Shipley (Philip Davies): that incentives for good behaviour among the prisoner population are insufficient? Does the Minister think that that is part of the issue?

Mr Gyimah: I will come on to the incentive structure in a moment, but I will deal first with the point about staffing.

Any discussion of staffing should acknowledge the brave and invaluable work that prison officers, staff, volunteers and governors do every day. I am determined to see that they, just as much as those in their care, are safe and properly supported. The recruitment and retention of staff in prisons is a high priority and, as I have said, part of the necessary response to the problems. For example, at prisons in the south-east that have presented persistent challenges, we have launched targeted recruitment campaigns to attract and retain the right people. We are ensuring that prison officers have the skills necessary to deal with such issues, which is why training for our prison officers has been increased from six to 10 weeks. We are also examining additional ways to retain high-quality and experienced staff.

My hon. Friend the Member for South West Bedfordshire made an important point about the task required of prison officers today—it is about not just numbers or training but what the job is. That is an important point, because we do not want prison officers simply to be turnkeys, locking people up and letting them out. We want them to have a key worker role, building closer and more professional relationships with prisoners. As my hon. Friend knows, that is very much part of the offender management model that we are looking to roll out across the prison estate.
I turn to some of the key threats that have been highlighted in the debate. The House is aware that the dynamic within prisons has changed, contributing to the rises we have seen in levels of violence, self-harm and self-inflicted deaths. In fact, what we see in prisons is a magnification of what we see in society more broadly—in particular, the proliferation of psychoactive substances, and the evolution of technology such as metal-free phones and drones, which enables drugs to be brought within our prison walls.

The Chairman of the Justice Committee, my hon. Friend the Member for Bromley and Chislehurst, mentioned the £10 million investment to deal with prison safety issues secured under the previous Secretary of State. That has been distributed to the prisons that are experiencing the worst levels of violence. Over the coming weeks and months, we will provide more information on how that is working for our prison system.

My hon. Friend the Member for Banbury put very well the point that psychoactive substances are having a serious and significant impact on the safe running of our prisons. That view is commonly held, and many in the Chamber are aware of it, as is the chief inspector, Peter Clarke. For the communities inside prisons, however, such substances have dramatically changed the dynamic. There is the impact on an individual’s behaviour as a result of taking the drugs, and the impact on driving an illicit prison economy. The power of drugs such as spice and mamba cannot be overstated. They are dangerous, mind-altering drugs that fuel unpredictable and violent behaviour.

What have we done? The varying ways in which substances can be smuggled into prisons—as tobacco, or even sprayed in liquid form on to paper—contribute to the challenge our professional staff face in keeping such harmful and damaging drugs out. We are, however, taking decisive action to tackle that ever growing threat, and we have introduced new legislation to combat the use of drugs and psychoactive substances in prisons.

The Psychoactive Substances Act 2016 has made these drugs illegal, and we have introduced new criminal offences for the supply and possession of psychoactive substances. In addition, the Serious Crime Act 2015 introduced a new offence of throwing anything into a prison. That demonstrates the lengths to which people will go to get such things into prisons and how lucrative the market is. I was not aware of that until I got this job. In response to the intervention by the hon. Member for Cardiff Central (Jo Stevens), the way to deal with such things is not necessarily just through staffing; we also need a technological solution. That is why I say that staffing is part of the answer but not the only answer.

To take the hon. Lady’s other example, drugs, we are trialling tests for psychoactive substances in 34 prisons. That is particularly important due to the ever changing nature of those drugs. Having an appropriate test allows us to be one step ahead of the game. In addition, we have trained more than 300 dogs to detect such drugs. That is another way in which we can respond to the threats in our prison system.

I have mentioned mobile phones. Technology is a problem, and technology is therefore the answer. We are trying to deal with that problem broadly by working closely with mobile network operators—that initiative was started by the previous prisons Minister and Secretary of State. I want those operators, which are responsible businesses with considerable expertise in this area, to support us in developing solutions to deal with the use of illicit phones in prisons, and I will be meeting them to drive that work forward. However, we are not standing idle and waiting for that long-term solution. We are introducing measures to block mobile phone signals, and new legislation introduced this summer means that mobile phone operators can now block individual handsets. Our work with mobile network operators will allow us to stop any handset operating within a prison.

We do not stop there. We are also concerned about social media—both people outside prisons posting things for prisoners on social media sites and prisoners accessing sites such as Facebook and Instagram. We are already engaging with social media companies to ensure that they act responsibly and work with us to remove material recorded on illicit mobile phones.

Not much time has been spent discussing drones during this debate, but they pose a serious emerging threat that we recognise must be tackled. As I mentioned, prisoners will go to astounding lengths to get mobile phones. We need to do more, and we are exploring what new technologies might offer us against that threat.

Robert Neill: The Minister mentions drones, and I agree with him about technological changes. Will he bear in mind that when we have visited prisons—particularly the older prisons in the estate, such as Wandsworth—one simple thing that we have been told could be done is for...
the repair of windows to be sped up? Very frequently, drones are thrown through broken windows on to wings, and greater rigour in inspection and repair would be a fairly cheap win in dealing with that problem.

Mr Gyimah: The Chairman of the Justice Committee is once again spot on. I am particularly concerned about the rate of repairs in our prisons. Carillion is one company that has a contract and receives public funds to perform such work, and I have not been impressed by what I have heard about its response speed. I will meet its management to ensure that it delivers what we expect.

We are taking several other operational measures. They are not glamorous or exciting—not all of them will grab headlines—but they show how gritty we have to be to address the problem of safety in our prisons. We are making operational improvements, such as rolling out body-worn cameras. My hon. Friend the Member for South West Bedfordshire is right that we should be driven by the evidence, which suggests that having cameras does not on its own necessarily solve the problem. Some prisoners say that cameras, on their own, could actually escalate situations, so they should be used with the five-minute intervention system. We are piloting a new case management programme for violent prisoners; updating assessment, care in custody and teamwork—the care planning process for prisoners at risk of suicide or self-harm, which the right hon. Member for Delyn was particularly concerned about—and creating a violence reduction taskforce to support and advise establishments with high rates of violence. We are also trialling a body scanner in Wandsworth prison, as has been mentioned.

Work and education in our prisons are also key; they are valuable in addressing reoffending, and I am committed to that. Today, we announced the transfer from the Department for Education to the Ministry of Justice of responsibility for education and training provision for those subject to adult detention in England. For anyone who was in any doubt that we are committed to reform, that is one piece of proof that we are committed and determined to proceed at pace. That so-called business of government transfer will enable us to give prison governors more power for delivering education in prisons.

Jo Stevens: Does the Minister agree that for someone who is locked up in their cell for 23 hours a day because of staff shortages, getting out to do education is difficult, if not impossible?

Mr Gyimah: The hon. Lady makes absolutely the right point. We want prisoners to have time out of their cells to engage in work, education and training. I want us to have a mature debate, so let us not try to say that staffing is the only response to the challenges in our prisons. I have acknowledged that it must be part of our response, but we need a comprehensive response.

Richard Arkless: I must admit to being concerned by the phrase “part of”. Of course staffing is part of the problem, but that could mean that it is 1% or 99% of the problem. The key thing is how big a part of the problem staff numbers are, and I think the Justice Committee would agree that it is the critical part. People cannot be rehabilitated, because staff are not available to conduct that rehabilitation. The Minister can give prisons all the new education powers, but if there are no staff to teach people, that simply will not happen. Will the Minister reassure us that he considers staffing to be critical, not just part of the problem?

Mr Gyimah: We in the Ministry of Justice must ensure that we are in a position to deliver the orders of the courts. That means ensuring that there are not only sufficient prison places but adequate staffing. Of course, we cannot run a prison system without adequate staffing, but we face complex challenges and threats in our prison system and there is no simple answer.

Mr Hanson: Will the Minister define what he means by adequate? What prisoner-staff ratio is the Ministry of Justice aiming for?

Mr Gyimah: We will work with prison governors—I have had meetings with the Prison Governors Association—and the Professional Trades Union for Prison, Correctional and Secure Psychiatric Workers to determine what is the right number to enable staff to do their jobs.

The hon. Member for Hammersmith (Andy Slaughter) mentioned Wormwood Scrubs. I was there and met the governor, Steve Bradford, on 30 August. I discussed particular challenges with him, as well as the excellent work he is doing to improve the regime. I was encouraged that he is committed to reform and to ensuring a safe and secure environment. There are a number of issues that any governor will say we need to address if we are to do that.

The nature of political debate is that we want to simplify things to one issue and deal with that. The situation is quite complex and more nuanced than that.

Andy Slaughter: I appreciate the Minister visiting Wormwood Scrubs, and I think everyone in the prison is working to try to turn it around. Will he agree to look again at the staffing reductions planned for next month, which can only harm the attempt to improve the situation?

Mr Gyimah: I, as well as NOMS, am in constant contact with the governor, to work with him to do what is appropriate and what works in order for the prison to function as it should.

More broadly on education reform, the recommendations made by Dame Sally Coates have been mentioned. We remain committed to improving prison education and supporting offenders into meaningful employment. We want to learn from the good practice that already exists in our system, such as the recently reported efforts at HMP Swaleside, where there is an ambition to change how education is delivered in prison. The prison’s A-wing is being redeveloped to create an education academy, with the hope that inspiring prisoners to learn will empower them and stop them reoffending.

A number of steps have already been taken to get prison reform under way. Six reform prisons went live on 1 July. The four executive governors, who have been unshackled, took control of their budgets and are now empowered to run their prisons as they see fit, which includes delivering bespoke services and having the option to move away from central contracts and policies.

I have seen for myself what is going on at HMP Coldingley. Contrary to some of the pictures that have been painted, every offender has a job in one of the
impressive workshops at that industrious jail, and the governor, Nick Pascoe, is working closely with the community and with rehabilitation companies to help former prisoners even once they have left his care. HMP Wandsworth, which was also mentioned in the debate, is piloting a new “recruit in a day” scheme, which will radically speed up the process of getting new officers into the prison. In addition, HMP High Down has introduced a “recommend a friend” scheme to incentivise current officers to promote available roles to friends and family.

I will turn to a number of points raised in the debate before I bring my speech to a close. One was about our confidence in being able to deliver the estates programme. The Secretary of State will roll out the details, but, to provide assurance, we have closed 15 prisons in the past 10 years. There have also been two partial closures and two re-roles to immigration and removal centres. The Department has got quite good at ensuring that we can close down old prisons and open new ones, such as HMP Berwyn—new for old. As I said, the Secretary of State will set out the detail shortly, because that is a Government commitment.

My hon. Friend the Member for Shipley made a number of points, one of which I will tackle: offenders being released halfway through their sentence. If someone has been sentenced to 10 years, they are eligible for release at five, which is a particular concern of his. I remind the House that, even in those instances, that person remains under licence, so the system still has a hold over them, and if they were to reoffend they would go back to prison. If someone were sentenced to five years, served five years and then left, we would not have any hold over them at all. I want to put that to him as a point of clarification and to add nuance to the point I made earlier.

Philip Davies rose—

Mr Gyimah: I knew that my hon. Friend was going to intervene.

Philip Davies: The Minister is giving the impression that if someone is sent to prison for 10 years and are released after five, if they commit another offence they will go back to prison for the remaining five years. If that were the case, some of us may not feel so strongly about it. However, as he well knows, they do not; they go back in for a fixed-term recall of 28 days, which is pathetic. There is not the great deterrence that he suggests.

Mr Gyimah: If they commit another offence, they will not only go in for a period of time but serve the sentence for the new crime they have committed. My hon. Friend suggested that somehow we are managing the prison population to an arbitrary figure, which is simply not the case. Our job, as I said, is to deliver the orders of the court.

On rehabilitation, on which I would say my hon. Friend has quite an exotic view, if we are to be a country that works for everyone, we have to fix prisons. That is particularly important.

Philip Davies: I will give the Minister the same test I gave the shadow Minister. Is he telling me that he thinks it is absolutely right for a prisoner to have to be released by law halfway through their sentence, irrespective of how badly they have behaved in prison and whether they remain a danger to society? As a Conservative Minister, does he think that is right?

Mr Gyimah: What is right is that, before any prisoner is released, there is a careful assessment of the risk they pose to society. That risk assessment is the most important thing—obviously within the confines of the sentence handed down to them by the courts.

Improving safety and reform are two sides of the same coin. We want to empower governors to tackle the challenges they face and support them to run regimes in which they can facilitate the rehabilitation of offenders in a modernised estate. However, if we are to do that, first and foremost prisons need to be safe, decent and secure places to live and work. The ministerial team understands that, and the Government are aware of it.

I am grateful to the Justice Committee for its scrutiny and its report. If there are any points that I have not covered in my speech, I will be happy to deal with them afterwards. I look forward to scrutiny in the weeks and months ahead and to discussing detailed plans to ensure that our prisons are safe and secure places.

Valerie Vaz (in the Chair): The Minister has been on his feet for 32 minutes, so that was a comprehensive reply. I call Sir Robert Neill to wind up.

1.47 pm

Robert Neill: Thank you, Ms Vaz. It is a pleasure to be under your chairmanship. I think your powers of foresight are admirable, if perhaps optimistic.

It is a great pleasure to respond to the debate. I thank all right hon. and hon. Members who have contributed to it. It has been a generally well informed and serious debate about a serious topic—that has been true of all contributions from both sides of the House. We have been assisted in particular by the two former Ministers here, the right hon. Member for Delyn (Mr Hanson) and my hon. Friend the Member for South West Bedfordshire (Andrew Selous). Both of them showed great commitment to that role, and I say to the current Minister that he has done so too. The energy and engagement that he has shown in his Westminster Hall debut in the role have made for an impressive debut, and I, like you, Ms Vaz, am grateful for the detailed and comprehensive reply he gave.

There are a number of issues that we will no doubt wish to return to, and there are specific points in our report that we will wish to press further. Important matters have been raised that I will not detain Members with now, but the Minister knows that they remain to be addressed.

We have received reassurance that the reform proceeds at pace. I will take the Minister at his word, if I may put it that way, and say that if a plan is to be ready in two or three months’ time, by my reckoning that will be before the House rises for Christmas. I hope that we will be able to have him before the Justice Committee at our invitation to discuss that plan, and that we will perhaps be able to debate it further in Westminster Hall. Debates
such as this do great credit to serious topics. I am particularly grateful to all members of the Committee and others who have attended the debate. To paraphrase Captain Corcoran in HMS Pinafore, I am pleased to command a right good crew. I am grateful to them for their support.

Valerie Vaz (in the Chair): No singing, then.

Question put and agreed to.

Resolved,
That this House has considered the Sixth Report from the Justice Committee of Session 2015-16, on Prison Safety, HC 625, and the Government response, HC 647.

4.19 pm
Sitting adjourned.
Written Statements

Monday 5 September 2016

CABINET OFFICE

Electoral Law

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government are today publishing their responses to a number of reports published on the administration of the UK parliamentary general election and other polls on 7 May 2015. The response to the Electoral Commission’s statutory reports on the elections incorporates responses to recommendations made by the Association of Electoral Administrators (AEA) and the Royal National Institute for the Blind (RNIB).

Recommendations made by the Organisation for Security and Co-operation in Europe’s Office for Democratic Institutions and Human Rights (OSCE/ODIHR) have been addressed in a separate response.

We are grateful for the analysis and recommendations within the reports from all of these organisations. Their work helps the Government to monitor the effectiveness of existing electoral provisions, determine where improvements are needed and helps Government to set future direction for policy development. The Government will continue to work with electoral administrators and partners to remove burdens and ensure they are supported to carry out the effective running of elections.

We will also be considering any future change in light of the review of electoral fraud undertaken by the right hon. Member for Brentwood and Ongar (Sir Eric Pickles) and his report published last month. I would like to thank the right hon. Gentleman for the work he has undertaken over the past year in producing this detailed and thorough report. It will be an important contribution to our fight against all types of fraud in the UK. We will look closely at the recommendations.

Copies of the Government responses will be placed in the Libraries of both Houses.

Attachments can be viewed online at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-05/HCWS132.

[TREASURY]

Finance Bill 2016

The Financial Secretary to the Treasury (Jane Ellison): I have today published a written submission outlining the Government’s analysis of how the English votes for English laws principle relates to all Government amendments tabled for Report stage of Finance Bill 2016.

The Department’s assessment is that the amendments do not change the territorial application of the Bill. The analysis reflects the position should all of the Government amendments be accepted. I have deposited a copy of the submission in the Libraries of the House.

[FOREIGN AND COMMONWEALTH OFFICE]

Chemical Weapon Precursors: Libya

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): My right hon. Friend, the Secretary of State for Defence, and I wish to make a joint statement about the significant contribution that Her Majesty’s Government have made to international efforts to ensure the safe destruction of precursor chemicals from Libya’s historic chemical weapons programme.

Libya’s chemical weapons stockpile was destroyed under international supervision and verification by 2014. However, a quantity of precursor chemicals remained in Libya. The international community was concerned about the risks that, in the current security situation, these chemicals might be acquired and misused by non-state actors. Earlier this year, the Libyan Government of National Accord asked for support from the Organisation for the Prohibition of Chemical Weapons (OPCW) and the international community to remove the remaining chemicals from Libya and to destroy them in a safe and timely manner in a third country.

The UK has played a major role in co-ordinating international efforts to assist Libya and the OPCW to achieve this, including in the UN Security Council and with practical steps.

On 22 July, I voted on behalf of the UK in the UN Security Council for authority to be given for the chemicals to be removed from Libya for destruction in another country. Subsequently, the Danish Government asked the UK to provide a naval escort to support Denmark’s operation to ship the chemicals out of Libya.

The Secretary of State for Defence agreed to provide support, in the same way as the Royal Navy supported Denmark and Norway in the operation to remove chemical weapons from Syria in 2014. During late August, RFA Mounts Bay escorted the Danish task group from Libya through the Mediterranean.

In order to enable the safe transport and destruction of the Libyan chemicals, and to provide verification assistance to the OPCW, experts at the UK’s Defence Science and Technology Laboratory at Porton Down were tasked to analyse samples of the chemicals. The Foreign and Commonwealth Office has contributed some £500,000 to support both the analysis and destruction of the chemicals.

The UK’s contribution to this task is now almost complete. The chemicals are being taken to a specialist facility in a third country, where they will be safely destroyed.

In close co-operation with our international partners— notably Denmark, Germany and the US, who contributed significant funding to the overall destruction effort, as well as with the OPCW—the UK has taken practical and effective action to eliminate chemical weapon risks in Libya. This reinforces our collective commitment to the people and Government of Libya, and, ultimately, to all of us who want to live in a world free from chemical weapons.

[HCWS132]
Yemen

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): This Government continue to believe that the best way to achieve stability in Yemen is through a political solution. The UK’s priority is to support the UN Special Envoy to Yemen, Ismail Ould Cheikh Ahmed, in facilitating a credible peace process in Yemen. I deeply regret the failure of the parties to reach an agreement at the UN-led peace talks in Kuwait, and I continue to urge them to find the compromises that will end the current conflict.

There has been a sustained international effort in support of the UN throughout and the UK continues to play an active role. In July I hosted a meeting in London to discuss Yemen with the Foreign Ministers of Saudi Arabia, the United Arab Emirates and the US Secretary of State where we collectively reiterated our strong support for the role of the UN in mediating a lasting political solution to the crisis. We affirmed that a successful resolution should include arrangements that would require the withdrawal of armed groups from the capital and other areas, and a political agreement that would allow for the resumption of a peaceful, inclusive political transition. In August, Minister for the Middle East, Tobias Ellwood, represented me in Saudi Arabia for talks with the US Secretary of State, GCC Foreign Ministers and the UN Special Envoy. The discussions focused on finding a way to end the political deadlock in Yemen, humanitarian assistance and ways to support Yemen’s precarious economy.

We will continue to support the peace process through our diplomatic efforts. The UK will host a discussion on Yemen at the UN General Assembly later this month with key international partners. In parallel, we continue to press for military restraint on all sides and call for a renewed commitment to a cessation of hostilities.

We are aware of reports of alleged violations of International Humanitarian Law (IHL) by parties to the conflict and take these very seriously. We regularly raise the importance of compliance with IHL with the Saudi Arabian Government and other members of the Saudi-Arabian led military coalition. I raised the issue of IHL compliance with my Saudi counterpart, Foreign Minister Al Jubeir on 22 August. It is important that we seek to play an active role.

The actions of the parties involved in those incidents raise the importance of compliance with IHL with the Saudi Arabian-led military coalition. I raised the issue of IHL compliance with my Saudi counterpart, Foreign Minister Al Jubeir on 22 August. It is important that we seek to play an active role.

The Secretary of State for the Home Department (Amber Rudd): I wish to update the House on the change in Chair of the Independent Inquiry into Child Sexual Abuse (IICSA) and today is my first opportunity to do so.

This inquiry was established in March 2015 to consider the extent to which state and non-state institutions have failed in their duty to protect children from sexual abuse and exploitation, and to make recommendations to protect children from such abuse in future.

On 4 August 2016 the Chair Dame Lowell Goddard wrote to me to offer her resignation which I accepted. I am grateful for all of her work on the inquiry to date.

On 11 August I announced the appointment of Professor Alexis Jay as the new Chair of the Inquiry. I am firmly of the view that the work of the inquiry needed to continue without delay. Victims and survivors deserve nothing less. After consultation, I decided that Professor Jay was the best person to provide stability and maintain momentum in the inquiry’s work.

Professor Jay’s experience, lifelong dedication to child protection and her outstanding leadership of the Independent Inquiry into Child Sexual Exploitation in Rotherham demonstrate her suitability to lead the inquiry. I am delighted that she has agreed to do so.

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): I am pleased to inform the House that from today Southern Railway have reinstated 119 train services into the weekday timetable. This means over nine out of 10 trains on the network will be running in line with the original weekday timetable, and over a third of the 341 trains removed on 11 July as part of the temporary timetable, will be restored this week. This will benefit passengers on inner London services, almost all London Bridge peak trains and restores service to Southern’s West London Line. The remaining trains will be reinstated to the timetable incrementally in the coming weeks. This is an issue of vital importance to the Government.

The Government have invested more than £1.6 billion of taxpayers’ money in new, longer, and more spacious trains. These new trains are progressively being introduced on existing Thameslink rail services and other routes from May 2017. The new trains are fully equipped with the latest technology allowing drivers to safely operate the doors from the cab.
The introduction of these new trains will mean that conductors, who currently operate the train doors, are freed up to spend their time on the train helping passengers during their journeys. GTR has promised this new on board supervisor role will be open to all conductors and will not result in any job losses or pay reduction. These changes will clearly benefit passengers. Importantly the vast majority of trains that currently have an on-board conductor will keep that staff member in a new on-board passenger focused role.

The Secretary of State recently announced a targeted £20 million fund, to be spent by Network Rail under project board authority, and the appointment of one of Britain’s most experienced rail industry figures, Chris Gibb, to help get the service back running as it should.

His post will be paid for by GTR and will involve heading a new project board, working with the train operator and Network Rail, to explore how to achieve a rapid improvement to services for the public. The board will oversee the £20 million fund and closer working between GTR and Network Rail to improve performance for Southern customers. A passenger representative will also be included on this review board to ensure commuters’ views are heard and improvements properly reflect passenger demands. The project board will present its plan in the autumn and actions will be implemented as soon as possible.
Written Statement

Tuesday 6 September 2016

DEFENCE

Defence Estate Rationalisation

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): The Ministry of Defence (MOD) is nearing the completion of an ambitious estate optimisation strategy programme which will provide a plan for a smaller, but significantly better defence estate to meet the needs of the armed forces. The MOD expects to announce the finalised estate optimisation strategy later this year and can today confirm the expected release of 13 sites, shown below. These will contribute some £225 million toward the MOD’s £1 billion target for land release sales as set out in spending review 2015.

These sites also contribute to the Government commitment to provide land for 160,000 homes in this Parliament. The intent to dispose of these 13 sites will provide land for up to 17,017 homes (of which some 12,565 are expected to materialise in this Parliament). In addition to the sites announced in January and March of this year, this represents the expected provision of land for up to 14,700 homes this Parliament against the MOD target of 55,000. The remainder of the target will be met through other rationalisation activity including the reserves estate, the training estate and MOD accommodation.

The estate optimisation strategy aims to better support military capability and force generation; allow the formation of clusters of sites which facilitate the collocation of similar functions and thereby reduce running costs through shared resources; as well as dispose of under-utilised sites for which there is no longer a long-term defence requirement.

Over the coming weeks further work carried out in consultation with all stakeholders including the trade unions will determine the future reprovision of each site. The release of land by the MOD has the potential to provide land for new homes and we will continue to engage with impacted local authorities to determine how the Department’s assessment of housing unit allocation against each site may be considered as part of the authority’s local plan. I acknowledge that these moves will have an impact upon civilian and military staff; the Department is making arrangements to provide for units and functions based at sites which will not have a future defence requirement. I will make a further announcement setting out the estate optimisation strategy with details on the sequencing and timing of these moves later this year.

RAF Henlow (Bedfordshire)
Middlewick Ranges (Essex)
Amport House (Andover)
Land at Harley Hill (Catterick)
Chalgrove Airfield (Oxford) Transferred to the Homes and Communities Agency
Colerne Airfield (Chippenham)
Azimghur Barracks (Chippenham)
Prince William of Gloucester Barracks (Grantham)
Old Dalby (Melton Mowbray)
Venning Barracks (Telford)
Parsons Barracks (Donnington)
Southwick Park ( Fareham)
Royal Marines Stonehouse (Plymouth)

[HCWS133]
The Secretary of State for Health (Mr Jeremy Hunt):

Today an independent review has been published which makes recommendations about how to support the effective implementation of IT systems in the health system in England.

In October 2015 I asked Professor Robert Wachter, a US clinician and authority on the issues and challenges of implementing IT and digital systems in healthcare, to undertake a review of implementation of IT in the NHS, with a particular focus on the introduction of electronic health records in the acute sector. It was to draw on recent experience in both England and the US and make recommendations on how to introduce such systems more effectively in the NHS. The review started in February this year and was supported by an advisory board drawn from digital healthcare experts in the US and UK, as well as a representative from Denmark.

The independent review has now been completed and the full report is attached and available at https://www.gov.uk/government/publications/using-information-technology-to-improve-the-nhs.

Healthcare, like other areas of life, needs to make effective use of technology to deliver services as efficiently and cost effectively as possible, while meeting the needs of patients and their expectations of a modern public service. 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 these technologies, moving away from paper-based records to a system that provides every health care professional with the information they need, at the point of care, so that they can make safe, effective treatment decisions, and that provides patients with easy access to all the information they need to be active partners in managing their health and wellbeing.

Digital technology is increasingly in use in many parts of the NHS but there are still some organisations that have yet to embrace its use, and many more that have found the task of implementing systems very challenging. The result is that despite already making investments in digital technology, local NHS organisations are often not getting the expected benefits for patients, health care professionals or the system.

Professor Wachter’s review identified a number of critical factors for success and has made 10 recommendations that focus on:

The importance of clinical engagement and leadership to successful implementation.

The need to improve workforce capability in the use of technology in the delivery of care, in particular the need for more clinician-informaticists (clinicians with informatics expertise) to lead implementation of clinical IT systems, including for a National Chief Clinical Information Officer (CCIO).

A phased approach to funding and implementation that reflects the level of readiness and existing digital maturity of NHS Trusts with initial support for those Trusts which have already made good progress in digitising and are ready to go further, or which are demonstrably ready to make good progress.

Interoperability as a core characteristic of the system from the outset to support clinical care, innovation and research.

I am grateful to Professor Wachter and his advisory group for their work on this important area for the future development of a NHS that is sustainable and meets our expectations of a modern service.

Today I am also presenting plans to start to implement those recommendations with the announcement of:

The first Global Exemplars. These Trusts are judged to be the most advanced in the use of digital technology in England, and which we expect to move to become world leaders at an accelerated pace:

Each Global Exemplar will be supported via international partnerships and will be expected to share their learning and experience across the NHS to show how care can be enhanced across the whole health system using digital technologies. Each of these Trusts will be able to bid for up to £10 million of funding.

The creation of a group of National Exemplars. These Trusts, although not yet as advanced as our Global Exemplars, are ready to make good progress in implementing digital technology and each can bid for up to £5 million of funding.

A competition to find a UK university partner to set up a Digital Academy to provide improved workforce capability in use of technology in the delivery of care.

The first Global Exemplars will be:

City Hospitals Sunderland NHS Foundation Trust
Luton & Dunstable University Hospital NHS Trust
Oxford University Hospitals NHS Foundation Trust
Royal Free London NHS Foundation Trust
Royal Liverpool and Broadgreen University Hospitals NHS Trust
Salfor Royal Hospitals NHS Trust
Taunton and Somerset NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
University Hospitals Bristol NHS Foundation Trust
University Hospitals Southampton NHS Foundation Trust
West Suffolk NHS Foundation Trust
Wirral University Teaching Hospital NHS Foundation Trust

NHS England has also already announced, in July, the appointment of Professor Keith McNeill as NHS Chief Clinical Information Officer. Professor McNeill will have a key role in providing national leadership for this important area that will increase the speed and scope of the NHS’s adoption of digital technologies to support the transformation needed to deliver NHS services fit for the future. He will act on behalf of the whole health and care system to provide strategic leadership, also chairing the National Information Board, and acting as commissioning ‘client’ for the relevant programmes being delivered by NHS Digital (previously known as the Health and Social Care Information Centre).

It can also be viewed online at:
http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-07/HCWS134
Written Statements

Thursday 8 September 2016

TREASURY

ECOFIN: 9-10 September 2016

The Chancellor of the Exchequer (Mr Philip Hammond):
An informal meeting of the Economic and Financial Affairs Council will be held in Bratislava on 9-10 September 2016. The Government are committed to leaving the European Union; in the interim, they continue to participate fully in ECOFIN meetings. EU Finance Ministers are due to discuss the following items:

Future economic policies in the EU

Ministers will discuss the EU’s current economic policy framework and whether further systemic reforms are needed. This discussion will be supported by presentations from former Italian Prime Minister and Finance Minister Mario Monti and former Swedish Finance Minister Anders Borg.

Deepening Economic Monetary Union (EMU)—fiscal pillar

An orientation discussion will be held on proposals for a euro area fiscal capacity, assisted by Guntram Wolff of Bruegel, Vitor Gasper of the IMF, and Danial Gros of the Centre for European Policy Studies.

Taxation—current issues: improving tax certainty and fighting BEPS, tax crime and terrorism

Ministers will exchange views on measures to address tax avoidance, tax evasion and tax crime and counter-terrorist financing. The discussion will be framed by a presentations from OECD Secretary-General Angel Gurria and State Secretary of the Slovak Finance Ministry Dana Meager.

Investment plan for Europe

The Council will discuss the progress of the first two pillars of the investment plan for Europe; the European fund for strategic investment (EFSI) and European investment and advisory hub. EIB president Werner Hoyer and EFSI managing director Wilhelm Molterer will report on the first year’s functioning of EFSI and the hub.

[HCWS138]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

National Flood Resilience Review

The Secretary of State for Environment, Food and Rural Affairs (Andrea Leadsom): The Minister for the Cabinet Office and Paymaster General, my right hon. Friend the Member for Ipswich (Ben Gummer) and I would like to update the House on our progress with the national flood resilience review.

Last year the UK was hit by a number of extreme flood events, including in Cumbria, Yorkshire and Lancashire. Record rainfall and river levels have led to widespread floods severely affecting cities, communities and businesses.

The magnitude of these events means that we need to fully understand the scale of risk that the country is currently facing from river and coastal flooding. We need to take immediate steps to improve our resilience to this flooding.

As a result, the Government set up the national flood resilience review, chaired by the then Chancellor of the Duchy of Lancaster, my right hon. Friend the Member for West Dorset (Mr Letwin) and overseen by a cross-government national flood resilience review group. That review is being published today, setting out the actions to improve the nation’s resilience.

By using new plausible extreme rainfall scenarios developed by the Met Office in the Environment Agency’s flood modelling, we are now confident that the extreme flood outlines can be used as a robust planning tool for assessing flood risk.

As part of the review we completed a preliminary assessment of the resilience of key local infrastructure, such as energy, water, health, transport and telecommunications to flooding from rivers and seas. These are services our communities and businesses depend on.

The results showed around 530 facilities vulnerable to river and coastal flooding which could impact significant local communities. Working with the relevant utilities, regulators and Government Departments, a number of areas have been identified to improve resilience planning for this infrastructure. By Christmas 2016, the water and telecoms sectors will develop and implement plans for where temporary improvements can be made to the flood resilience of their infrastructure. These plans will ensure that the utilities obtain stock-piles of temporary defences in advance and have site-specific plans ready to deploy where they can be used. This is in line with current practice in the electricity supply industry.

In addition to these temporary defences all sectors with infrastructure at risk have agreed to develop and implement plans—where not already in place—to make medium-term permanent improvements to the flood resilience of their services to significant local communities.

While better understanding the risk helps us better prepare and protect infrastructure, effective response when flooding occurs is essential to minimise impact and protect lives. The review sets out actions that the Government and others will be taking to improve the response to flooding incidents by delivering a long-term rolling programme of improvements to our modelling, improving working across services and with local communities to strengthen our response, and improving our communication of flood risks.

The Government have prioritised investment in maintaining and improving flood defences in England with a record £2.3 billion six-year commitment to 1,500 schemes. This is set to better protect 300,000 homes and provide £30 billion in economic benefits by 2021.

On top of that, in this year’s Budget, the then Chancellor of the Exchequer announced a £700 million increase in flood defence and resilience spending, including a further £150 million for new flood defence schemes in Cumbria and Yorkshire. He also signalled that part of this funding would be used to respond to this review.
The findings published today commit an investment of £12.5 million to increase the Environment Agency’s stock of temporary flood defences and other incident response equipment.

The work identified in the review is continuing, including with local resilience forums. Additional funding support will be considered as further findings emerge.

Copies of the review have been placed in the Libraries of both Houses.

[HCWS135]

HOME DEPARTMENT
Review of the Forensic Archive Ltd

The Minister for Policing and the Fire Service (Brandon Lewis): I am pleased to announce that I am today publishing the Review of the Forensic Archive Ltd (FAL). FAL was established in October 2012 to manage and maintain material previously held by the Forensic Science Service.

The review makes 10 recommendations, most crucially that the functions of FAL should continue to be carried out and that FAL is the best organisation to do so. It also recommends that the Home Office continue to fund FAL. I agree with these recommendations.

I will place a copy of the review in the Library of the House.

[HCWS139]

JUSTICE
Cremation Regulations

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): I am today announcing that new regulations regarding cremation in England and Wales have been laid before Parliament. The Cremation (England and Wales) (Amendment) Regulations 2016 will come into effect on 1 October 2016.

We are making these changes following our recent response to our consultation on cremation, published on 7 July 2016, in which we committed to make a number of changes to infant cremation regulations and practice. The regulations laid today introduce a statutory definition of ashes. They also remove the current requirement that cremation authorities must keep original paper records for two years, even though they have also made electronic copies of those records. These changes will provide clarity for bereaved parents at a difficult time in their lives, and modernise processes for crematoria.

In addition I would like to announce that, as also promised in the consultation response, we have now set up a national cremation working group. The group is made up of representatives from the cremation and funeral industries, voluntary organisations who support bereaved parents, medical professionals and other Government Departments with an interest in cremation. In the coming months it will provide expert input into our work to further improve cremation legislation and practice. The group’s first priority will be amending statutory application forms regarding options for disposal of ashes, and bringing the cremation of foetuses of less than 24 weeks’ gestation into the remit of the cremation regulations.

[HCWS137]
FOREIGN AND COMMONWEALTH OFFICE

EU Foreign Ministers Meeting (Gymnich)

The Minister for Europe and the Americas (Sir Alan Duncan): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the bi-annual informal meeting of EU Foreign Ministers (known as the Gymnich) on 2-3 September in Bratislava, Slovakia. The Gymnich was hosted by Miroslav Lajcak, Minister of Foreign Affairs of Slovakia and was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini. Discussion centred on Turkey, implementation of the Minsk agreements, the EU Global Strategy and (with the candidate countries) counter-terrorism and counter-radicalisation.

Johannes Hahn (EU Commissioner for Neighbourhood Policy and Enlargement Negotiations) also attended. Elmar Brok (Chairman of the European Parliament’s Foreign Affairs Committee) was present for the sessions on 2 September. EU Foreign Ministers met with Omer Qelik (Turkish Minister for EU Affairs) and then with the Foreign Ministers of the candidate countries on the morning of 3 September.

The format of the Gymnich is designed to allow EU Foreign Ministers to engage in informal discussion on a number of issues. In contrast to the Foreign Affairs Council (the next of which will be held on 17 October), Ministers do not take formal decisions or agree conclusions at the Gymnich.

GYMNIC DISCUSSION

Turkey

During the first session, EU Foreign Ministers discussed relations with Turkey, noting that channels of communication with Turkey had to remain open, as Turkey was a key regional player and strategic partner for the EU. The Foreign Secretary highlighted the need for balanced dialogue. During the meeting with Turkey’s Minister for EU Affairs (Qelik), Ministers discussed a range of interests shared by the EU and Turkey; and discussed the aftermath of the 15 July attempted coup.

Implementation of the Minsk agreements

The discussion focused on how the EU could support implementation of the Minsk agreements. The security situation in eastern Ukraine continued to present a mixed picture. The Foreign Secretary recalled the importance of an effective political process to achieve improved security (and vice versa), and welcomed the recent ceasefire and prisoner exchanges as helpful steps forward.

European Global Strategy

Ms. Mogherini set out a plan for implementation of the strategy and her aim to agree an action plan and conclusions at the October Foreign Affairs Council.

Counter-terrorism and preventing and countering radicalisation

Ministers welcomed the existing security and counter-terrorism co-operation between the European Union and the Western Balkan candidate countries and agreed that it should be further developed and intensified.

WALES

Boundary Commission for Wales: Reappointments

The Secretary of State for Wales (Alun Cairns): I should like to inform the House that I have made the following reappointments under Schedule 1 to the Parliamentary Constituencies Act 1986:

Mr Paul Loveluck CBE reappointed as a member of the Boundary Commission for Wales, effective from 4 October 2016 until 3 October 2020, and

Professor Robert McNabb, reappointed as a member of the Boundary Commission for Wales, effective from 4 October 2016 until 3 October 2020.
Written Statements

Tuesday 13 September 2016

DEFENCE

HMIC Report: Royal Navy Police

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): I wish to inform the House that the first report from Her Majesty’s Inspectorate of Constabulary (HMIC) inspection of the Royal Navy Police (RNP) has been laid before the House today.

The Armed Forces Act 2011 places a duty on HMIC to inspect and report to the Ministry of Defence on the independence and effectiveness of investigations carried out by each service police force, and this is HMIC’s first statutory inspection report on the RNP.

I consider this report to be a positive endorsement of the RNP providing assurance from an independent civilian authority that the RNP is well led overall. Six recommendations have been made and one area for improvement has been identified. The Royal Navy accepts the report’s findings and work is already under way to address the recommendations and the area for improvement.

Copies of the report will be available in the Journal Office and Printed Paper Office.

[HCWS147]

ELECTORAL COMMISSION COMMITTEE

EU Referendum Report

Mr Gary Streeter (On Behalf of the Speaker’s Committee on the Electoral Commission): The Electoral Commission has today published its report on the referendum on the United Kingdom’s membership of the European Union (EU referendum), held on 23 June 2016. The report looks at the key issues that arose on the way to polling day, including the conduct of campaigners and the Electoral Commission’s regulation of them, and provides data on the views of voters and the experience they had throughout this period. The report also points to a number of recommendations that would improve the administration, regulation, and delivery of future referendums.

Recognising its direct involvement in the management of the poll, the commission has also enabled an independent report conducted by two academics which has been published today. The commission has also today published three related reports respectively evaluating its public awareness campaign, international observers’ scheme, and an independent report on the experience of registered campaigners. The commission will publish further reports relating to the referendum, including a report on the analysis of campaigners’ spending and donations at the referendum and a report detailing the costs of the administration of the referendum in full, in 2017.

The evidence gathered by the Electoral Commission to inform its report shows that the referendum was delivered without any major issues. Its public opinion research with voters finds that they had a positive view of the EU referendum process, with 77% being very or fairly confident that the referendum was well-run. People were also satisfied with the process of registering to vote (87% said they were generally satisfied). People remain highly satisfied with the procedures for voting in the referendum, whether in person at a polling station (97%), or by post (99%).

The Electoral Commission’s report acknowledges that this success was due to the over 100,000 members of staff who were working in around 41,000 polling stations across the UK and Gibraltar on polling day. It recognises the counting officers and their staff, as well as the 11 regional counting officers and the chief electoral officer for Northern Ireland whose professionalism and diligence were critical components of the organisation of the referendum. Electoral registration officers are singled out for praise in the report for processing 2.1 million additional applications to register to vote in the weeks before the referendum, as well as electoral services staff who coped with a record high electorate of 46,500,001 and 72.2% voter turnout.

The Electoral Commission had a leading role in the referendum. Under the framework of the Political Parties, Elections and Referendums Act 2000 (PPERA) the commission had a number of specific statutory responsibilities and functions in relation to the delivery and regulation of the referendum. It designated the two lead campaigners and produced guidance for all campaigners, of which there was a total of 123 registered campaigners—63 indicating they supported “Remain” and 60 supporting the “Leave” side. The discharge of these duties was in addition to its responsibility to promote public awareness of the referendum, the question put to the electorate, and how to vote in it.

The work for the EU referendum undertaken by the electoral community, the Electoral Commission, and campaigners was done at a time when important elections were taking place, under high levels of public scrutiny, and with uncertainty about the date of the referendum until four months before the poll. The report notes that careful management of the potential risks associated with the timing and profile of the poll was needed to successfully deliver the poll. Nevertheless, the Electoral Commission once again reiterates its recommendation that referendum legislation should be clear at least six months before it is required to be implemented or complied with.

The report also calls for the important changes which have been applied to the legal framework for recent referendums to be incorporated into PPERA, which sets out the standard framework for referendums. This would ensure that they would apply for all future referendums, and would remove the need to draft completely new legislation on these aspects for each future poll. In addition, the commission recommends that a generic order for the conduct of referendums, which it has called for since 2004, should be introduced by the Government now. This would remove ambiguity over the detailed rules for the conduct of referendums each time one of these polls is called. To build on the successful approach taken in both the EU referendum and the 2014 referendum in Scotland, this legislation...
should also require the designation of lead campaigners shortly before the referendum period, rather than during the first six weeks of this period, as currently set out in the legislation.

The Electoral Commission also suggests that section 125 of PPERA should be significantly redrafted to clarify the nature and scope of the restriction on activities by Governments and other publicly funded bodies during the referendum period. It should be clear which activities are restricted, and whether there are any specific exemptions; it should be clear when the restrictions apply; and it should be clear who is responsible for enforcing the restrictions, and what the penalties would be for any breach of the restrictions. The commission is therefore calling on the UK Government to consult on options for redrafting section 125 of PPERA, with a view to introducing amending legislation as soon as practicable, sufficiently ahead of any specific legislation for a future referendum.

One thing the commission has not recommended, however, is any role for itself in regulating the “truth” or the content of what campaigners say. The report sets out why it does not believe this would be an appropriate role for the commission given the breadth of its other functions. Instead, it is for campaigners and the media to scrutinise each other’s contentions and right that information is widely available for voters to do the same, but it is not clear that an independent body could, or should, be required to regulate the “truth”, which is likely to be highly contested.

While the commission has been pleased that the UK Government have incorporated many of its recommendations at each recent referendum, and that overall the legislation worked well for this poll, it is not practical to use different pieces of legislation from previous referendums and PPERA in order to draft legislation for each new referendum. It is therefore the Electoral Commission’s view that Parliament must now establish a clear standard legal framework for the conduct and regulation of future referendums.

Copies of the commission’s report have been placed in the Library and it is also available on the commission’s website: www.electoralcommission.org.uk.

[HCWS146]

TRANSPORT

HS2: Phase 2a Consultations

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): HS2 will be the new backbone of our national rail network and help us build an economy that works for all. Good rail links bring our country closer together, making it easier for people to get on and driving economic growth. That is why the Government are heavily investing in transport infrastructure, such as HS2, across the country. HS2 presents huge opportunities for UK business, and has the potential to increase the amount of freight transported by rail meaning fewer lorries on the roads, cutting congestion and carbon. The sooner we build HS2, the sooner we will see these benefits.

The Government remain committed to completing the full phase 2 “Y” network from Birmingham to Manchester on the western leg, and to Leeds, via the east midlands and Sheffield on the eastern leg. The decision to accelerate construction of part of the phase 2 route between the west midlands and Crewe—known as phase 2a—was taken in November 2015. This will mean that this section of the route becomes operational in 2027, so that some of the benefits of HS2 will be delivered six years earlier than originally planned.

Therefore, as part of our plans to prepare the HS2 phase 2a (west midlands to Crewe) hybrid Bill for introduction to Parliament next year, we have today launched the following consultations:

- The Working Draft Environmental Impact Assessment (EIA) report;
- The Working Draft Equality Impact Assessment (EqIA) report; and
- A Design Refinement consultation.

Alongside the launch of these consultations, we are also publishing the revised EIA and EqIA “Scope and Methodology Reports” (SMR), which set out how the assessments will be undertaken, and the associated consultation response analysis documents.

The launch of these consultations is an important step towards delivering phase 2, and reinforces our commitment to continually trying to improve and refine the scheme. Importantly, we want to give those affected the opportunity to make their views known and provide further evidence to inform my final route decision.

Working draft Environmental Impact Assessment and Equality Impact Assessment Reports

HS2 Ltd has developed working draft EIA and EqIA reports for the phase 2a scheme, on which there will be an eight-week consultation. This will enable interested parties to comment on the current proposed design of the scheme, current environmental baseline, likely impacts and effects (where identified) and proposed mitigation measures.

The responses to these consultations will be considered as the design and assessment are developed and will help in the development of the formal EIA and EQIA reports. The formal EIA report will set out the likely significant environment effects of the phase 2a scheme, and will be deposited alongside the phase 2a hybrid Bill so it can be taken into account by Parliament before it decides whether or not to grant the powers to build the railway. The formal EqIA report will help us fulfil our public sector equality duty and is expected to be published when the hybrid Bill is deposited. Further information on these consultations can be found at: www.gov.uk/hs2.

Design Refinement Consultation

We are also consulting separately on a number of refinements to the route developed since November 2015. This consultation will last eight weeks, and enable me to take into account the views of those potentially affected before taking a decision on the refinements. Further information on this consultation can be found at: www.gov.uk/hs2.

Work on the design is continuing alongside these consultations which may lead to further changes being identified and decision taken. The full route will then be published when we deposit the hybrid Bill in 2017, at which point those affected will have an opportunity to comment on the formal EIA report. People specially
and directly affected by the scheme will also have the opportunity to petition Parliament as part of the hybrid Bill process.

HS2 Ltd has today written to people living near the proposed route changes to inform them of the consultation and invite them to attend consultation information events in their local areas.

HS2 is a once in a generation opportunity to transform Britain’s railways, and I look forward to our continuing engagement in order to make it a reality and ensure that we maximise every opportunity it has to offer.

[HCWS143]

Rail Freight

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): I am today publishing the Government’s new rail freight strategy, which has been developed in collaboration with Network Rail, the rail freight industry and its customers.

Rail freight makes an important contribution to our economic and environmental wellbeing, with benefits estimated at around £1.6 billion to the national economy every year. It generates around £1 billion from improved productivity, while around £0.6 billion is the value of the reductions in road congestion, carbon emissions and air pollutants.

Rail freight currently carries one in four of the containers coming into our ports, and has the potential to carry an even higher proportion. Each freight train removes the equivalent of up to 76 lorry journeys from our roads. Transporting freight by rail reduces carbon emissions by around three quarters compared to road, and also provides significant benefits through reduced local air pollution, road damage, traffic noise and road traffic accidents.

Since rail privatisation in the 1990s, the rail freight industry’s market share of freight transport has risen from around 5% to around 12%. The industry has invested significantly on its own account, in rolling stock and terminals, in order to win new customers.

Government are also investing on a large scale in the rail network, including important enhancements worth nearly £240 million specifically identified by the rail freight industry as their priority.

This rail freight strategy sets out our vision for how rail freight can continue to grow, and how the broader logistics sector and rail industry can collaborate and innovate to help relieve pressure on the road network. It looks at challenges facing the rail freight industry—the way in which network capacity is used, the potential for innovation, the skills challenge and public perceptions of rail freight—and identifies ways in which the Government and the industry can work together to address them.

A copy of the strategy has been placed in the Libraries of both Houses and is also available at: www.gov.uk, together with two supporting technical reports.

Attachments can be viewed online at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-13/HCWS144.

[HCWS144]

WALES

Wales Bill: English Votes for English Laws

The Secretary of State for Wales (Alun Cairns): I am pleased to announce the publication of analysis of English votes for English laws in relation to Government amendments to the Wales Bill at Commons Report.

The English votes for English laws process applies to public Bills in the House of Commons. To support the process, the Government have agreed that they will provide information to assist the Speaker in considering whether to certify that Bill or any of its provisions for the purposes of English votes for English laws.

The memorandum provides an assessment of tabled Government amendments to the Wales Bill at Commons Report, for the purposes of English votes for English laws. The Department’s assessment is the amendments do not change the territorial application of the Bill.

The memorandum can be found on the Bill documents page of the Parliament website at: http://www.parliament.uk/bills and I have deposited a copy in the Libraries of both Houses.

[HCWS145]

WORK AND PENSIONS

Cold Weather Payments Scheme

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): I am pleased to announce that today I intend to lay regulations to amend the cold weather payment scheme. The changes detailed in these regulations will come into force on 1 November this year, in time for the beginning of the winter period.

The scheme makes cold weather payments to help vulnerable groups during cold periods. Each year the Department reviews the scheme with expert advice from the Met Office and, where necessary, makes changes to regulations to ensure that postcodes are linked to the most appropriate weather station for the purposes of the cold weather payment.

For the 2016-17 season the Met Office has recommended the replacement of one primary weather station and the introduction of an additional new station.

The current station at Skye-Lusa will be closed and have equipment removed by spring 2017. The Met Office has therefore recommended changing to an alternative site at Achnagart to protect the 2016-17 service from any potential risk of earlier disruption to the station at Skye-Lusa.

South Devon, particularly the EX and TQ postcodes, would be better represented by the newly installed station at Exeter airport. The Met Office has recommended including this station as an additional site in the network taking some of the postcodes currently served by Dunkswell and North Wyke. The Exeter airport site better represents the postcodes along and near the east facing coastline around east Devon, Exeter and parts of
Torbay. The more inland and higher altitude sites at Dunkeswell and North Wyke will continue to serve the more inland communities.

The regulations also make other minor changes to the alternative weather stations. This will ensure that the weather station to postcode links are as representative as possible.

The changes to the postcode to weather station links resulted from the Department’s annual review of the cold weather payments scheme. The review drew on expert advice from the Met Office and took account of representations from benefit claimants and Members of Parliament.

I will be writing to each Member who made representations about the administration of the scheme last winter to make them aware of the advice from the Met Office.

Cold weather payments are separate from, and in addition to, winter fuel payments.

For winter 2016-17 the cold weather payment rate will continue to be £25 for each seven day period of very cold weather.

The regulations are being amended so that, in future, revisions can be made without the need for new legislation each time weather station to postcode links change. This will not materially impact on how the scheme operates in practice.

The regulations are also being amended to ensure that where a primary station is unable to provide temperature information or the Met Office is unable to produce a forecast at a primary station, there are adequate procedures for the necessary temperature information or forecast to be obtained from another weather station.

[HCWS142]
Written Statements

Wednesday 14 September 2016

TREASURY

Contingencies Fund

The Economic Secretary to the Treasury (Simon Kirby):
The Aire Valley Master Trust (AVMT) is a residential mortgage backed securitisation (RMBS) programme, which currently encumbers approximately £8.5 billion of mortgage assets and provides Bradford & Bingley (B&B) with just over £2.6 billion of funding. As at 30 July 2016 the balance of the outstanding AVMT notes was approximately £5.4 billion. B&B holds £2.8 billion of these notes, with the remaining £2.6 billion (the funding) held by market. B&B proposes to call the notes to underwrite the mortgages enabling them to be included in any future sales when market conditions allow. The transaction replaces expensive legacy B&B-issued debt with cheaper DMO-issued debt, with no change in balance sheet totals. The transaction is, therefore, neutral of these notes, with the remaining £2.6 billion (the funding) held by market. B&B proposes to call the notes to underwrite the mortgages enabling them to be included in any future sales when market conditions allow. The transaction replaces expensive legacy B&B-issued debt with cheaper DMO-issued debt, with no change in balance sheet totals. The transaction is, therefore, neutral of the company. B&B proposes to draw down £2.975 billion from this facility to redeem the notes.

The cash for the loan will form part of HM Treasury’s supplementary estimate 2016-17, which will not receive Royal Assent in the associated Supply and Appropriation Bill until mid to late March 2017. HM Treasury will, therefore, be utilising the Contingencies Fund to make this urgent payment. While B&B’s capital facility draw down will be £2.975 billion to redeem the notes, £0.750 billion will be repaid from income. The additional amount, therefore, that HM Treasury requires—and will form part of their supplementary estimate request—is £2.225 billion.

Parliamentary approval for additional cash of £2,225,000,000 for this expenditure will be sought in a supplementary estimate for HM Treasury. Pending that approval, urgent expenditure estimated at £2,225,000,000 will be met by repayable cash advances from the Contingencies Fund.

CULTURE, MEDIA AND SPORT

2019 World Road Cycling Championships (Contingent Liability)

The Secretary of State for Culture, Media and Sport (Karen Bradley): I wish to inform the House that on 14 September 2016, the Department for Culture, Media and Sport lodged a minute recording the Government’s commitment to underwrite the 2019 world road cycling championships to be staged in Yorkshire. The departmental minute will be deposited in the Libraries of both Houses.

As set out in the minute, I am pleased to inform the House that a formal bid to host the world championships was submitted to the international cycling federation by the deadline of 16 August 2016, through collaboration between Welcome to Yorkshire, UK Sport, Government and British Cycling. The Government will provide £9 million to support the delivery of the championships and an underwrite for the event. If the bid is successful, the Government will, in addition, provide £15 million towards developing cycling facilities in England, including closed road circuits, as a lasting legacy for the event. The Government underwrite, therefore, creates a contingent liability for the Department in relation to the championships in 2019.

FOREIGN AND COMMONWEALTH OFFICE

Falklands Demining

The Minister for Europe and the Americas (Sir Alan Duncan): Under the anti-personnel mine ban convention, which sets out the worldwide approach to landmine removal, the UK is required to clear all mined areas under its jurisdiction or control. In the case of the Falkland Islands, I am pleased to announce that the Government have decided to provide a further £20 million to this process. As a result, thousands of landmines will be cleared in the next phase of work making safe dozens of areas which have been unusable since the mines were laid during the 1982 conflict.

This significantly increased funding will build on previous demining projects, which have so far cleared more than 30 minefields. The latest phase of work will be jointly funded by the Foreign and Commonwealth Office and Ministry of Defence. It will see teams of expert contractors clear 46 minefields and carry out surveys to prepare for the clearance of another 27 over the next two years, as the UK continues to work towards fully clearing mines from its territories.

The UK is committed to meeting its international obligations under the anti-personnel mine ban convention and to doing its part to uphold the rules-based international system. This project is just one of many UK demining projects around the world.

North Korea Nuclear Test

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alok Sharma): On 9 September North Korean state media claimed that the country had successfully conducted its fifth nuclear test at 00:30 GMT (09:00 Pyongyang). The Comprehensive Test-Ban Treaty Organisation reported seismic signatures from a location close to where North Korea conducted its January nuclear test. We assess that the seismic event was caused by a nuclear test. The magnitude of this latest test was slightly larger than the one that occurred in January.
This nuclear test is a serious violation of UN Security Council resolutions 1718, 1874, 2087, 2094 and 2270. The Democratic People's Republic of Korea's nuclear weapon and ballistic missile programmes continue to pose a significant threat to international security and regional stability, and hinder the prospects for lasting peace on the Korean peninsula.

On 9 September the Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), issued a statement strongly condemning the nuclear test as a grave violation of UN Security Council resolutions. The Foreign Secretary has spoken to his counterparts in Japan and Australia to discuss the nuclear test and the international response and we are in close touch with other partners, including the United States and the Republic of Korea.

The UK strongly supported the UN Security Council's swift condemnation of this nuclear test in an emergency session on 9 September. The UN Security Council agreed that this test was a clear violation of existing Security Council resolutions, and that there should be a robust response including immediate work on further significant measures.

I summoned the North Korean ambassador to the Foreign and Commonwealth Office on 12 September in order to underline, in the strongest terms, the UK's firm commitment to international community or it will face an increasingly robust response including immediate work on further significant measures.

We continue to urge the Democratic People's Republic of Korea to return to credible and authentic multilateral talks on its nuclear programme, to abide by its obligations under the nuclear non-proliferation treaty, and to permit full access by the International Atomic Energy Agency. [HCWS151]

Syria: Chemical Weapons

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): I wish to make a statement about the use of chemical weapons in Syria and the steps Her Majesty's Government are taking to respond to the situation.

This Government wholeheartedly condemn the use of chemical weapons, by anyone, anywhere. It is appalling that three years after the Ghouta attacks in 2013, where hundreds died from exposure to nerve agent, Syrian civilians continue to be the victims of chemical weapons.

In 2013, following concerted international pressure, Syria joined the chemical weapons convention (CWC), and declared a stockpile of 1,300 tonnes of chemical weapons and precursors. These have been destroyed by the international community. The UK contribution to this effort included the safe destruction, by incineration, of approximately 200 tonnes of chemical precursors. However, Syria has yet to satisfy the international community and Organisation for the Prohibition of Chemical Weapons (OPCW) that the declaration it made of its chemical weapons programme is complete and accurate. The OPCW has stated that Syria’s declaration contains “gaps, inconsistencies and inaccuracies” which need to be answered. We continue to press for the Syrian regime to provide the required level of co-operation and transparency for the OPCW to be able to resolve these issues.

The UN Security Council has made clear repeatedly, in resolutions 2118 (2013), 2209 (2015), and 2235 (2015), that there would be consequences for those responsible for using chemical weapons in Syria. The Security Council thus sent a clear signal that all chemical weapons attacks in Syria must cease. Despite this there have been frequent allegations of chemical weapons use in Syria, including in Aleppo earlier this month.

The UK has been at the forefront of international efforts to ensure that reports of attacks are properly investigated and those responsible identified. In August 2015 the UN Security Council established the UN/OPCW joint investigative mechanism (JIM) to “identify to the greatest extent feasible individuals, entities, groups, or governments who were perpetrators, organisers, sponsors or otherwise involved in the use of chemicals as weapons, including chlorine or any other toxic chemical, in the Syrian Arab Republic”.

The UK argued for the establishment of the JIM and has strongly supported its work, including providing £500,000 to help it become operational. This was in addition to our contribution in excess of £3.5 million to the OPCW, including £2 million to the OPCW’s Syria trust fund, for destruction and verification activities.

In its report of 24 August the JIM focused on nine incidents in Syria, between 2014 and 2015, which the OPCW had identified as involving chemical weapons. The report confirmed what the UK and others have strongly believed for a long time, that the Syrian regime is directly responsible for chemical weapons attacks. Specifically, the JIM concluded that attacks in Sarmin and in Talamanes were the responsibility of the Syrian regime. This is the first time either the UN or OPCW have publicly attributed use of chemical weapons to the Syrian regime.

The JIM concluded that one incident, involving sulphur mustard gas, was the responsibility of Daesh—an attack in Marea in August 2015. The use of chemical weapons by Daesh is completely unacceptable. The UK continues to play a leading role in efforts to defeat Daesh and prevent its further use of chemical weapons, including through the global coalition.

The UK is working with international partners, including other members of the Security Council, to ensure there are consequences for those responsible for using chemical weapons and to send a clear message that such attacks are completely unacceptable and must stop. [HCWS152]

NORTHERN IRELAND

Independent Reporting Commission

The Secretary of State for Northern Ireland (James Brokenshire): The Independent Reporting Commission is one of a series of measures set out in the 2015 “Fresh Start” agreement to tackle ongoing paramilitary activity connected with Northern Ireland.
Provision for the Independent Reporting Commission to be established by agreement ("the agreement") between the UK Government and the Government of Ireland was included in the Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016. The agreement was signed on 13 September.

The agreement establishes the IRC as an independent, international body. It sets out the functions, duties and membership of the IRC, and provides for certain privileges and immunities to be conferred through legislation. It also requires the commission not to do anything in carrying out its functions which might put at risk the safety or life of any person, prejudice national security interests, have a prejudicial effect on any proceedings which have, or are likely to be, commenced in a court of law, or have a prejudicial effect on the prevention, investigation, detection or prosecution of crime.

Paramilitary activity continues to be a scourge on Northern Ireland society and to cause untold damage to individuals and their communities. It was never justified in the past in Northern Ireland and it has no place in society today. This new commission will therefore play an important role in assisting efforts to tackle paramilitary activity and associated criminality.

Specifically, the Independent Reporting Commission will report on progress towards ending continuing paramilitary activity connected with Northern Ireland. It will provide assessments of the implementation of the relevant measures of the UK Government, the Government of Ireland and the Northern Ireland Executive. These include oversight of the Northern Ireland Executive’s strategy to end paramilitarism.

The commission will consult a wide range of stakeholders, including law enforcement agencies, local councils, communities and civic society organisations and its reports will also inform the Executive’s programme for Government priorities through to 2021.

The commission will be independent of the UK and Irish Governments and will have a significant degree of discretion in fulfilling its functions. This independence will help to ensure the credibility of its reports and enable it to carry out its work effectively.

[HCWS148]
The MPC has judged that it would be appropriate to impart further stimulus through additional asset purchases. The MPC expects that purchases of corporate bonds will improve the availability of credit to UK companies and that further purchases of gilts will reduce borrowing costs, raise asset prices, affect expectations and confidence, and thereby support demand in the economy. The term funding scheme should ensure that the very low level of bank rate is passed through to lending rates to households and businesses.

In line with the requirements in the MPC remit, the amendments to the APF that could affect the allocation of credit and pose risks to the Exchequer have been discussed with Treasury officials. The risk control framework previously agreed with the Treasury will remain in place, updated to reflect the changes to the APF.

Oversight arrangements for the expanded APF will be strengthened. These will include enhanced information sharing between the Bank and Treasury to monitor the operation and performance of the facility, and regular risk oversight meetings of Treasury and Bank senior officials. There will also be an opportunity for the Treasury to provide views to the MPC on the design of the schemes within the APF; as they affect the Government’s broader economic objectives and may pose risks to the Exchequer.

I have therefore authorised an increase of £70 billion in the amount of assets that the APF is able to purchase financed through the issuance of central bank reserves, of which £10 billion can be eligible private sector assets, bringing the total amount for purchases to £445 billion. I have also authorised an extension of the definition of assets eligible to be held in the APF to include secured lending of central bank reserves. The MPC expects that the value of this lending would increase in line with the amount outstanding in the TFS, which will in turn be determined by usage of the scheme, and could reach around £100 billion. I have therefore authorised an increase in the total size of the APF of £170 billion. This will bring the maximum total size of the APF to £545 billion.

The Government will continue to indemnify the Bank and the APF from any losses arising out of, or in connection with, the facility. If the liability is called, provision for any payment will be sought through the normal supply procedure.

On 4 August I wrote to the Chairs of Public Accounts Committee and Treasury Select Committee and invited them to raise any objections to my decision. A full departmental minute has been laid providing more detail on this contingent liability.

Notification of Contingent Liability

The Chancellor of the Exchequer (Mr Philip Hammond): The Monetary Policy Committee (MPC) of the Bank of England decided at its meeting ending on 3 August to raise the limit on purchases that may be undertaken by the asset purchase facility (APF). This will encompass further purchases of gilts, along with a new scheme to purchase private sector assets and a new funding scheme that will lend central bank reserves to banks and building societies for an extended period at a rate close to bank rate (the term funding scheme).

As set out in the MPC’s remit, active monetary policy has a critical role to play in supporting the economy. It is the MPC’s view that in the absence of monetary policy stimulus there would be undesirable volatility in output and employment, and it would be less likely to achieve a sustainable return of inflation to the target in the medium term.

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The Chief Secretary to the Treasury (Mr David Gauke): Ahead of the introduction of tax-free childcare in early 2017 and the 30 hours extended entitlement for three and four-year-olds in September 2017, HM Revenue and Customs (HMRC) will trial a new, digital, joint childcare service later this year. The trial will involve around 1500 parents, including some who are eligible for both schemes. It will enable HMRC to extensively test the system and ensure it provides a smooth experience and quality service for parents.

Tax-free childcare and the extended free entitlement are a key part of the Government’s overall childcare offer which will provide over £6 billion per annum to working families and those on low incomes by the end of this Parliament.

The Government announced in November 2015 that parents will be able to apply online for both tax-free childcare and the extended free entitlement through a new joint childcare service being developed by HMRC, with their delivery partner National Savings & Investments (NS&I).

The joint childcare service will provide a simple and straightforward way for working parents to access both schemes, avoiding the need to provide the same information twice, and saving them valuable time.

In March 2016, the Government announced that tax-free childcare will be introduced and gradually rolled out during 2017. The service will be made available to all eligible families by the end of that year.

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Tax: Draft Legislation

The Financial Secretary to the Treasury (Jane Ellison): The Chancellor of the Exchequer has announced that the date of the autumn statement will be 23 November 2016.

The Government remain committed to improving the tax policy making process through high levels of consultation and legislative scrutiny. Following the autumn statement, draft clauses to be included in Finance Bill
2017 will be published on 5 December 2016. This consultation on draft legislation will be open until 30 January 2017.

[HCWS165]

COMMUNITIES AND LOCAL GOVERNMENT

Local Government Finance

The Secretary of State for Communities and Local Government (Sajid Javid): Today, I am publishing a technical consultation paper on the approach to the 2017-18 local government finance settlement. This will confirm the approach for 2017-18 already set out alongside the 2016-17 settlement, offering local authorities in England that are committed to reform, a four-year settlement offer, which will give funding certainty for the remainder of the Parliament.

The consultation reconfirms the Government’s commitment to the four-year settlement offer and seeks views on expanding this offer. It also outlines:

- the proposed approach to distributing funding through the improved Better Care Fund to support adult social care, in line with the approach taken in the 2016-17 settlement;
- the approach to council tax referendum principles for 2017-18, including once again a core principle of 2% (with additional flexibilities for shire district councils and lower-quartile police and crime commissioners), and a continuation of the adult social care precept of an additional 2%;
- a proposal for a referendum principle of 2% for the larger, higher-spending town and parish councils, with consideration being given to extending the principle to all local precepting authorities;
- the proposed approach for adjusting business rates retention tariffs and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities’ income.

In line with the Government’s work to devolve power and budgets to local authorities, the consultation also proposes measures to enable certain local authorities to pilot 100% business rates retention, designed to ensure that other authorities are not adversely affected by these pilots, together with measures covering the allocation of funding streams within devolution deal areas, if all affected councils agree.


[HHCWS162]

CULTURE, MEDIA AND SPORT

Historic Royal Palaces (Borrowing Facility)

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): The departmental minute laid today is in respect of an extension to the period whereby Government act as a guarantor on behalf of Historic Royal Palaces (HRP) for a borrowing facility of up to £4 million to meet short-term cash-flow requirements.

The renewed guarantee will be available until 30 September 2021 and HRP will only enter into borrowing facilities at such times and within such monetary limits as the Department shall agree.

The guarantee provides a safeguard protecting HRP’s business from a sudden and serious decline in economic conditions affecting HRP’s admissions income until the savings from its planned rationalisation measures, if such an event should occur, could come through. It would only be used in extreme circumstances. The guarantee has been in place since 2002 and it has never yet been called upon.

Historic Royal Palaces is a charity established by royal charter. By virtue of a contract entered into on 1 April 1998, it carries out the functions of the Secretary of State for Culture, Media and Sport under section 21 of the Crown Lands Act 1851 of managing the unoccupied royal palaces.

I am arranging for the minute to be deposited in the Libraries of both Houses.

It can also be viewed online at: http://www.parliament.uk/business/publications.

[HCWS155]

EXITING THE EUROPEAN UNION

General Affairs Council (September 2016)

The Minister of State, Department for Exiting the European Union (Mr David Jones): On 23 June 2016 the UK voted to leave the European Union. Until we leave however, the UK continues to play a constructive role in EU business. The General Affairs Council (GAC) on Tuesday 20 September is expected to focus on the following: follow up to the June European Council; preparation of the October European Council; the European Commission’s 2017 Work Programme; and the mid-term review of the multiannual financial framework.

Follow up to the June European Council

The presidency will present an update on the progress towards implementation of the June 2016 European Council conclusions on migration, jobs, growth and investment and external relations. GAC Ministers will then hold an exchange of views; this will not be a detailed discussion.

Preparation of the October European Council

Ministers will discuss the upcoming October European Council draft annotated agenda. The agenda currently covers migration, trade and external relations, and EU policy toward Russia. This is an opportunity for the UK to influence and shape the agenda of the October European Council.

European Commission’s Work Programme 2017

On 14 September the European Commission sent a “Letter of Intent” outlining the broad content of the Commission Work programme for 2017 (CWP 2017) to the Council and European Parliament. GAC Ministers will have an exchange of views on the contents of the Commission’s letter of intent.
The CWP is adopted annually by the European Commission. It contains a list of the legislative and non-legislative priorities that the Commission intends to bring forward in the course of the following calendar year.

**Multiannual financial framework**

The GAC will discuss the Commission’s proposal on the mid-term review of the multiannual financial framework which was published on 14 September.

**HEALTH**

**NHS Blood and Transplant Triennial Review**

The Minister of State, Department of Health (Mr Philip Dunne): My hon. Friend the Parliamentary Under-Secretary of State for Health (Lord Prior) has made the following written statement:

The Department of Health has completed its triennial review of NHS Blood and Transplant, and is today publishing the associated review report. A copy of the review report can be found online.

The review, which commenced on 25 June 2015, consulted with a wide range of stakeholders. The review concludes that NHS Blood and Transplant is an efficient and high performing organisation, and in the future will seek to increase its contribution to the life sciences industry. The report contains a total of 18 recommendations; five are about the function and form of NHS Blood and Transplant, with the remaining 13 intended to support NHS Blood and Transplant’s future performance, efficiency, and governance.

Attachments can be viewed online at:
http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS161/

**PRIME MINISTER**

**Committee on Standards in Public Life: Report**

The Prime Minister (Mrs Theresa May): “Striking the Balance: Upholding the Seven Principles of Public Life in Regulation”, the 16th report of the Committee on Standards in Public Life, has been published by the Committee today. I have laid the report before both Houses.

**Intelligence Services Commissioner: Report**

The Prime Minister (Mrs Theresa May): I have today laid before both Houses of Parliament the Intelligence Services Commissioner’s supplementary report on concerns raised by the Intelligence and Security Committee of Parliament (ISC) about the Government’s responsibilities in relation to partner counter-terrorism units overseas. The statutory responsibilities of the Intelligence Services Commissioner, the right hon. Sir Mark Waller, include oversight of compliance with the consolidated guidance to intelligence officers and service personnel on the detention and interviewing of detainees overseas, and on the passing and receipt of intelligence relating to detainees (“the consolidated guidance”). I am grateful to Sir Mark for his detailed examination of the allegations regarding the detention of Michael Adebolajo in Kenya in 2010, which were raised in the ISC’s November 2014 report about the intelligence relating to the murder of Fusilier Lee Rigby. I welcome the fact that he has firmly rejected any suggestion of a conspiracy by the security and intelligence agencies in Mr Adebolajo’s detention and that he has found no evidence to support the allegation that he was subject to mistreatment at the hands of the Kenyan authorities. The Government will look carefully at Sir Mark’s detailed analysis of the handling of this case and will take steps to address the issues where he has identified shortcomings in the response at the time, drawing upon the report’s recommendations. In particular, Sir Mark has noted that the consolidated guidance, though still fit for purpose and carefully followed by intelligence officers and service personnel, could benefit from further clarification in certain aspects. The Government will consider further what changes could be made to the consolidated guidance to address the points Sir Mark raises.

**Machinery of Government Change: Offender Learning**

The Prime Minister (Mrs Theresa May): Policy responsibility for education and training provision for those subject to adult detention in England will transfer from the Department for Education to the Ministry of Justice from 1 October 2016.

**WORK AND PENSIONS**

**Housing Benefit**

The Secretary of State for Work and Pensions (Damian Green): Supported accommodation plays a vital role in the lives of many vulnerable people. A safe and stable and supportive place to live can be the key to unlocking better outcomes for people and for many it is a stepping stone to independent living in the longer term. The Government value the role supported housing plays and are committed to encouraging further development to meet future demand.

Over the past number of months, we have spoken to providers, local authorities, charities, representative bodies and the devolved Administrations about the future funding arrangements for the sector. We are also grateful for the extensive input from these groups into our evidence review of supported accommodation in Great Britain, jointly commissioned by my Department and the Department for Communities and Local Government at the end of 2014. The review has provided a helpful insight into the scale, scope and cost of the sector and we will publish it shortly alongside a consultation document.
We have heard the concerns regarding the application of the local housing allowance (LHA) rates to social rents from 2018. So I can announce today that we will be deferring the application of this policy for supported housing until 2019-20. At this point we will bring in a new funding model which will ensure that the sector continues to be funded at current levels, taking into account the effect of Government policy on social sector rents. I can also confirm that the deferral until 2019-20 will extend to fully mutuals/co-operatives, almshouses and community land trusts while we consider whether any additional arrangements will be necessary for this group in the longer term.

It is our intention that from 2019-20 core rent and service charges will be funded through housing benefit or universal credit up to the level of the applicable LHA rate. This will apply to all those living in supported accommodation from this date. I can also confirm that the shared accommodation rate will not apply to people living in the supported housing sector, in recognition of the particular challenges this would have placed upon them.

For costs above the level of the LHA rate, Government will devolve in England an amount of funding for disbursement locally. In Wales and Scotland, an equivalent amount will be provided and it will be for those Administrations to decide how best to allocate the funding.

In England, we will devolve funding to local authorities to provide additional “top up” funding to providers where necessary, reflecting the higher average costs of offering supported accommodation, compared to general needs. This will give local authorities an enhanced role in commissioning supported housing in their area. This will also allow local authorities to ensure a more coherent approach to commissioning for needs across housing, health and social care, using local knowledge to drive transparency, quality and value for money from providers in their area.

Different types of supported housing provision and services are commissioned by different bodies locally, such as clinical commissioning groups. It will be important to ensure that these bodies can access funding to deliver their commissioning objectives. We will work with relevant agencies and Departments across Government to design this fund to make sure that we maximise the opportunities for local agencies to collaborate.

In recognition of the need to manage the transition to a new funding regime carefully, we will ring-fence the top-up fund to ensure it continues to support vulnerable people. The amount of top-up funding will be set on the basis of current projections of future need. This will also help to provide certainty for providers that reductions in funding via the benefits system can be met elsewhere as well as to give greater assurance to developers of new supported housing supply. We will also consult on appropriate safeguards to ensure that this funding continues to support vulnerable people and promotes supply of supported housing. We will also consider what level of new burdens funding would be appropriate to enable local authorities to fulfil their new role.

As the Prime Minister made clear, we are working to ensure that vulnerable people in refuges are not adversely affected as a result of the LHA rates. While we are confident that this model will meet the needs of the majority of the sector, we recognise some particular challenges may remain for very short-term accommodation, including hostels and refuges. We will work with the sector to develop further options to ensure that providers of short-term accommodation continue to receive appropriate funding for their important work. While the mechanism may be different, funding for this type of accommodation will benefit from the same protection as supported housing in general.

We recognise the vital importance of ensuring that providers are able to develop new, much needed, supported housing and we want the long-term funding model to support this. We will seek views through the consultation on how this objective might best be achieved through the design of the model.

In March 2016, we introduced a one-year deferral for supported housing, fully mutuals/co-operatives, almshouses and community land trusts from the reduction of social rents in England of 1% a year for four years from 2016. It is important that providers can continue to provide high-quality and cost-effective supported housing to meet the needs of their tenants. However, it is also important that supported housing should make efficiency savings in the same way as the rest of the social sector.

Therefore, I can confirm that, as planned, we will apply the rent reduction to supported housing, with rents in these properties decreasing by 1% a year for three years, up to and including 2019-20.

The existing exemption for specialised supported housing will remain in place and will be extended over the remaining three years of the policy for fully mutuals/co-operatives, almshouses and community land trusts and refuges.

For those affected by the social sector rent reduction policy, the Welfare Reform and Work Act 2016 includes provision that allows a social landlord to be exempted from the requirement to reduce rents by the Secretary of State for Communities and Local Government or the social housing regulator—in the case of private registered providers—if complying would result in serious financial difficulty or jeopardise their financial viability. This provision provides a safety net for those providers who do not have the capacity to offset the decrease through efficiencies or from elsewhere in their business.

Supported housing is of vital importance to vulnerable people and we want to continue to work with providers to ensure that services are as good as they can be. We want to build on the work of excellent providers to drive all quality and value for money up to the level of the best. These reforms, giving local areas greater control and strategic oversight, represent the first step towards that goal, while giving the sector the necessary certainty over the total amount of funding available nationally. We also want quality and a focus on individual outcomes to play a greater role in how we fund the sector.

We will continue to work with the sector to develop the detail that underpins the new funding model and to ensure that any accompanying regulatory reform is effective and proportionate. It is important that we get the detail right and we want to continue the extensive conversation we have begun with the sector to do this. A formal consultation document will be published shortly.
Pension Protection Fund/Financial Assistance Scheme:  
Long Service Caps

The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): I am pleased to announce that today I will launch a consultation on the draft regulations needed to ensure the long service cap in the Pension Protection Fund—the PPF—will operate as intended in all circumstances. The consultation will last for eight weeks and, after I have considered the responses, it is my intention to put before Parliament amending regulations, with the expectation that the PPF long service cap will be in place from April 2017.

I am also pleased to announce that it is the Government’s intention to introduce an equivalent cap for the financial assistance scheme—the FAS—from April 2018.

The PPF provides compensation based on 90% of the person’s accrued pension if they are below the scheme’s normal pension age when the company becomes insolvent. This 90% is subject to a maximum, which would, currently, mean a maximum amount of compensation of £33,678 per annum at age 65.

The Pensions Act 2014 contains provisions to increase this cap in the PPF at 3% for every year of pensionable service in the scheme above 20 years, subject to a new maximum of twice the standard cap. This legislation has not yet been brought into force, as some changes were needed to secondary legislation. It is these changes on which I am now consulting.

The FAS provides financial support for those who lost significant amounts of pension because their defined benefit occupational pension scheme collapsed underfunded. Generally the FAS helps those schemes which were affected before the introduction of the PPF and ensures a person gets at least 90% of the pension due at the point the scheme collapsed. This calculation is subject to a maximum cap. It is our intention to amend this cap so that it will, like the PPF cap, increase by 3% for each full year of pensionable service, over 20 years subject to a new maximum of twice the standard cap.

I will, in due course, be putting before Parliament regulations to implement this new cap. So that the FAS scheme manager has sufficient time to plan for these changes, it is our current intention that the FAS changes will apply from April 2018. Those already being paid assistance will get the uplift applied to their cap amount from the implementation date although, as in the PPF, this increase will not be backdated.

A copy of the consultation document will be placed in the Library.

[HCWS163]
Petition

Monday 5 September 2016

OBSERVATIONS

HEALTH

Bowel cancer screening

The petition of residents of the UK,

Declares that the age at which bowel cancer screening is offered by the NHS is too high at 60 years old, with up to 6,000 people in their 50s diagnosed with the condition each year; further that, when bowel cancer is diagnosed in its later stages, the five-year survival rate is 7%, compared to 97% when caught early; and further that an online petition on this matter has been signed by over 163,000 individuals.

The petitioners therefore request that the House of Commons urges the Department of Health to consider the case for lowering the age of bowel cancer screening in England to the age of 50, in line with the screening age in Scotland.

And the petitioners remain, etc.—[Presented by Caroline Ansell, Official Report, 04 May 2016; Vol. 609, c. 279.]

Observations from the Parliamentary Under-Secretary of State for Health (David Mowat):

The NHS Bowel Cancer Screening Programme offers screening using a self-sampling kit, the Faecal Occult Blood test (FOBt), every two years to men and women aged 60 to 74 who are registered with a GP. The kit is returned by post to a regional laboratory to be tested for hidden blood, a potential sign of bowel cancer. People eligible for screening receive an invitation letter explaining the programme, along with an information leaflet explaining the benefits and risks of bowel cancer screening. Men and women aged over 74 can self-refer for screening every two years if they wish.

The NHS bowel cancer screening programme in England began in 2006, with full roll-out completed in 2010. The programme in England initially offered screening to men and women aged 60 to 69 because the risk of bowel cancer increases with age. More than 80% of bowel cancers are diagnosed in people aged 60 or over. In the pilot, which was conducted in Coventry and Warwickshire and in Scotland in the late 1990s and early 2000s, more than three times as many cancers were detected in people aged over 60 than in those aged under 60, and people in their 60s were most likely to use a testing kit.

In addition to FOBt, the NHS Bowel Cancer Screening Programme is currently rolling out bowel scope screening to men and women around the time of their 55th birthday. Bowel scope screening is a one-off examination which is an alternative and complementary bowel screening methodology to FOBt. The Secretary of State’s commitment is to have bowel scope screening rolled out to all screening centres in England by the end of 2016.

The UK National Screening Committee advises Ministers and the NHS in all four countries about all aspects of screening policy. It keeps the evidence for new and existing screening programmes under review and will provide further advice when new evidence becomes available.
Petitions

Thursday 8 September 2016

OBSERVATIONS

COMMUNITIES AND LOCAL GOVERNMENT

Private rented sector in Dulwich and West Norwood

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 petitioners remain, etc.—[Presented by Helen Hayes, Official Report, 28 June 2016; Vol. 612, c. 268.]

[PH01695]

Observations from The Minister for Housing and Planning (Gavin Barwell):

The Government are committed to raising standards in this industry. They believe that ensuring full transparency is the best way to do so, giving consumers the information they need so that they do not pay unfair fees, while supporting good letting agents.

Since 1 October 2014, all lettings agents and property managers in England have been required to join one of the three Government approved redress schemes. This requirement means that tenants and landlords with agents in the private rented sector and leaseholders and freeholders dealing with property managers in the residential sector are able to complain to an independent person about the service they have received, helping to weed out bad agents and property managers and drive up standards.

Since May 2015, letting agents are required to publicise a full tariff of their fees, whether or not they are a member of a client money protection scheme and which redress scheme they are a member of. This information must be displayed prominently in their offices and on their website. A fine of up to £5,000 can be levied against agents who fail to comply. A breakdown of fees enables tenants to compare prices and assess value for money, creating effective competition that should force agents to keep fees fair and strengthening consumer choice. The Government’s view is that with these measures the balance of regulation for letting agents is about right. However, the Government are committed to review their effectiveness and have established a working group with Baroness Hayter of Kentish Town and Lord Palmer of Childs Hill to look at how client money protection is currently operating and whether to do further by making use of the powers in the Housing and Planning Act 2016 to make it mandatory. If you would like to contribute your views to this, further details can be found here: https://www.gov.uk/government/consultations/client-money-protection-cmp-review.

The Government are committed to creating a bigger and better private rented sector, which is easily accessible to current and prospective tenants. We have set up the Private Rented Sector Affordability and Security working group which includes experts from across the PRS and housing sectors to explore options to reduce costs for tenants who access and move within the sector.

The Government have also introduced a package of measures through the Housing and Planning Act 2016 to crackdown on unscrupulous landlords and property agents who exploit their tenants by renting out unsafe and substandard accommodation. This includes a database of rogue landlords and property agents, banning orders for the most prolific and serious offenders, civil penalties of up to £30,000, extended rent repayment orders and a more stringent ‘fit and proper’ person test for landlords applying for a licence. In addition the Government are determined to crack down on landlords who deliberately overcrowd their properties with vulnerable people and illegal migrants by extending mandatory licensing for houses in multiple occupation.

HEALTH

Dr Keilloh and the Medical Practitioners Tribunal Service

The petition of residents of the UK,

Declares that the petitioners believe that the decision made by the Medical Practitioners Tribunal Service (MPTS) to remove Doctor Derek Keilloh from the Medical Practitioners Register was a travesty of justice; further that the petitioners believe that it was not in the public interest to have a community deprived of their so obviously well-loved and much appreciated family doctor; further that the petitioners believe that it is unfair that any appeal against the decision can only be made within 28 days when the doctor has just been deprived of his or her income, and no longer has financial support for legal affairs and is in a state of shock; further that the petitioners call into question why well documented ‘inattentional blindness’ was not taken into consideration during the MPTS hearing; further that the Professional Standards Authority only exists to protect patients and will only investigate Fitness to Practise outcomes if they believe that the sanctions have been too lenient, not if the patients complain that the sanction has been too severe, prejudiced or faulty; further that there is no equivalent body to support the registrants; further that previously a handwritten petition from 1,034 patients and colleagues was sent to the MPTS and to Parliament in 2013 asking for his re-instatement; further that the petitioners have been informed that the new statutory rules governing MPTS procedures “Adjudication Section 60 Order” which were brought about in December 2015 now allow the General Medical Council (GMC) to review the MPTS decisions, the petitioners believe that although it probably cannot be post-dated the new ruling should make a difference in bringing about justice in this case; further that the petitioners believe that the case was prejudiced by the publication of damning articles in the media, some of which quote the MPTS tribunal chairperson as pronouncing Doctor Keilloh guilty even before the commencement of the hearing;
further that the petitioners call into question that the MPTS panel of three people was able to strike Doctor Keilloh off on probability which was not beyond reasonable doubt for supposed public interest failing rather than any clinical failing; further that the petitioners believe that the complainant against Doctor Keilloh was Phil Shiner of Public Interest Lawyers, a lawyer acting on behalf of complainants not from this country, about an event in a war zone almost ten years ago, rather than from his NHS patients who are the people who have suffered from Doctor Keilloh’s erasure; further that the petitioners believe that in this case written statements from witnesses for the prosecution, presented by Phil Shiner, the lawyer acting on their behalf, were accepted by the MPTS panel without opportunity for cross examination; further that the Al-Sweady inquiry collapsed due to a lack of convincing evidence some of which was presented by Phil Shiner; further that the petitioners understand that Phil Shiner has been under investigation for professional misconduct by the Solicitors Regulation Authority and is now to face a tribunal; and further that an online petition on a similar matter has been signed by 3,496 individuals.

The petitioners therefore request the House of Commons to take note of the damage done to Doctor Keilloh’s life and career by what the petitioners believe to have been a flawed disciplinary process; and call on the House to urge the Government to re-examine the statutory basis for the jurisdiction of the MPTS with a view to remedying this and potential future injustices; and to urge the Government to open an investigation into the written statements from the Iraqi witnesses as presented by Public Interest Lawyers, and the evidence they gave under cross examination in the Al-Sweady inquiry, the original British army court-martial in the Baha Mousa case, the Baha Mousa Public Inquiry and Dr Keilloh’s Fitness to Practice hearing.

And the petitioners remain, etc.—[Presented by Rishi Sunak, Official Report, 12 July 2016; Vol. 613, c. 260.]

Observations from The Minister of State, Department of Health (Mr Philip Dunne):

The General Medical Council (GMC) is the independent regulator for doctors in the UK and takes action when a doctor fails to meet the standards needed, either through imposing sanctions on the doctor’s registration, or by removing their right to practise.

At the time of Dr Keilloh’s removal from the medical register in 2012 the due process was taken forward by a fitness-to-practise panel of the Medical Practitioners Tribunal Service (MPTS). The panel heard evidence and decided whether Dr Keilloh’s fitness to practise was impaired.

The legislation that underpins the workings of the GMC and MPTS has been the subject of public consultation and has been properly scrutinised by Parliament.

As the GMC and MPTS are independent of Government it is not appropriate for the Government to comment on or become involved with individual fitness-to-practise cases.
Petition

Wednesday 14 September 2016

PRESENTED PETITION
Petition presented to the House but not read on the Floor
New national stroke strategy
The petition of residents of the UK,
Declares that there is a need for a new national strategy for stroke; further that a new strategy will ensure that stroke survivors and their carers receive the support they need; further that it will drive improvements in hospital care; further that it will drive the roll out of a new treatment, thrombectomy; and further that a new strategy will save lives.

The petitioners therefore request that the House of Commons urges the Government to commit to writing a new national stroke strategy.

And the petitioners remain, etc.—[Presented by Mr Nigel Evans.]
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